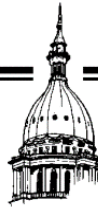




Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 270 (as reported without amendment)
Sponsor: Senator Judy K. Emmons
Committee: Economic Development

CONTENT

The bill would amend the Michigan Strategic Fund (MSF) Act to do the following:

- Refer to programs under the Act, rather than programs under Chapter 8A (21st Century Investment Programs and Activities) in provisions requiring the MSF to create and operate programs, and determine the allocation of money for and make expenditures or investments from the 21st Century Jobs Trust Fund for those programs.
- Refer to programs and activities authorized under any other chapter of the Act or as provided in an appropriation act, in addition to those authorized under Chapter 8A, in a provision prescribing authorized uses of money transferred or appropriated to the MSF.
- Authorize the use of up to \$7.25 million of the annual appropriation from the 21st Century Jobs Trust Fund, rather than 5% of the appropriation as currently allowed, for business development and business marketing costs.
- Eliminate provisions requiring at least 80% of funds for business development and marketing costs, and at least 75% of funds appropriated for promoting Michigan tourism under Chapter 8B of the Act, to be targeted to people and entities outside the State.
- Authorize the MSF Board to spend funds appropriated to it by law without further appropriation, regardless of the source of those funds.

MCL 125.2088a et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would increase the amount of appropriations from the 21st Century Jobs Trust Fund that the Michigan Strategic Fund Board may allocate for business development and business marketing. Current law limits this to not more than 5% of the annual appropriation from the 21st Century Jobs Trust Fund. In FY 2012-13, the annual appropriation from the Trust Fund is \$75.0 million, which makes the maximum allocation for business marketing \$3,750,000. The bill would change this limit from a percentage of the appropriation to a fixed amount of \$7,250,000, an increase of \$3.5 million or 93.3% in the amount of appropriations that the Board may use for business development and marketing.

The bill also would increase the authority of the MSF Board to allocate funds among the programs it operates. Currently, within the limits imposed by annual appropriations, the Board has authority to allocate funds from the 21st Century Jobs Trust Fund among 21st Century programs, including investments, grants, and loans; tourism promotion; community revitalization; and business development. The bill would expand the Board's authority to allocate appropriations from the Trust Fund among any of the programs that the MSF operates.

Date Completed: 3-21-13

Fiscal Analyst: Elizabeth Pratt

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.