



SENATE BILL No. 1085

September 20, 2016, Introduced by Senators ZORN, PROOS and CASPERSON and referred to the Committee on Economic Development and International Investment.

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 88r (MCL 125.2088r), as amended by 2014 PA 506.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 88r. (1) The fund shall create and operate the Michigan
2 business development program to provide grants, loans, and other
3 economic assistance to qualified businesses that make qualified
4 investments in this state or provide qualified new jobs in this
5 state.

6 (2) The Michigan business development program shall provide
7 for all of the following:

8 (a) Grants, loans, and other economic assistance to assist

1 qualified businesses in making qualified investments and providing
2 new jobs in this state, with preference given to qualified
3 businesses that need additional assistance for deal-closing and for
4 second stage company gap financing.

5 (b) A detailed application, approval, and compliance process
6 published and available on the fund's website. The detailed
7 application, approval, and compliance process shall, at a minimum,
8 contain the following:

9 (i) A qualified business may apply for a grant, loan, or other
10 economic assistance in a form and manner determined by the fund.

11 (ii) After receipt of an application, the fund may enter into
12 a written agreement with the qualified business if the qualified
13 business agrees to make certain qualified investments or create a
14 certain number of new jobs in this state.

15 (iii) The written agreement shall provide in a clear and
16 concise manner all of the conditions imposed, including specific
17 time frames, on the qualified business to receive a grant, loan, or
18 other economic assistance under this section.

19 (iv) The written agreement shall provide for a repayment
20 provision of any grants, loans, or other economic assistance if the
21 qualified business fails to comply with the provisions of the
22 written agreement.

23 (v) The written agreement shall provide for an audit provision
24 that requires the fund to verify that established milestones for
25 the project have been met.

26 (c) In any fiscal year, a qualified business shall not receive
27 more than \$10,000,000.00 for a project funded under this section.

1 (3) The fund shall not enter into a written agreement with a
2 qualified business unless all of the following are met:

3 (a) The municipality makes a staff, financial, or economic
4 commitment to the project as determined by the fund.

5 (b) The qualified business provides a business plan or
6 demonstrates the need for the grant, loan, or other economic
7 assistance.

8 (c) The qualified business agrees to provide the data
9 described in the written agreement necessary for the fund to report
10 to the legislature under this act.

11 (4) The fund shall post on its website or post on the website
12 of the Michigan economic development corporation the name and
13 location of each qualified business that received a grant, loan, or
14 other economic assistance awarded under this section and the amount
15 of the grant, loan, or other economic assistance.

16 (5) Beginning February 1, 2012 and not less than every 3
17 months thereafter, the fund shall post on its internet website the
18 name and location of a qualified business that received approval of
19 a grant, loan, or other economic assistance under this section in
20 the immediately preceding 3-month period.

21 (6) The legislature finds and declares that funding authorized
22 under this section to encourage diversification of the economy, to
23 encourage capital investment in this state, and to promote the
24 creation of qualified new jobs in this state is a public purpose
25 and of paramount concern in the interest of the health, safety, and
26 general welfare of the citizens of this state.

27 (7) As used in this section:

1 (a) "Other economic assistance" means any other form of
2 assistance allowed under this act that is not a grant or a loan.

3 (b) "Qualified business" means a business that is located in
4 or operates in this state or will locate or will operate in this
5 state as determined by the fund. A qualified business may include
6 more than 1 business as determined by the fund board.

7 (c) "Qualified investment" means investment in this state
8 related to a project subject to a written agreement under this
9 section.

10 (d) "Qualified new job" means a job performed by an individual
11 who is a resident of this state whose Michigan income taxes are
12 withheld by an employer, or an employee leasing company or
13 professional employer organization on behalf of the employer, **OR AN**
14 **INDIVIDUAL WHO IS NOT A RESIDENT OF THIS STATE BUT IS EMPLOYED BY A**
15 **BUSINESS THAT IS LOCATED IN A COUNTY IN THIS STATE THAT BORDERS**
16 **ANOTHER STATE OR COUNTRY AND THAT INDIVIDUAL WORKS AT THAT BUSINESS**
17 **LOCATION AT LEAST 50% OF THE TIME EACH YEAR,** that is in excess of
18 the number of jobs maintained by the qualified business maintained
19 in this state prior to the expansion or location, as determined and
20 verified by the fund.