

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1223

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
(MCL 125.2001 to 125.2094) by adding sections 89b, 89c, and 89d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 89B. (1) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008,  
2        THERE IS APPROPRIATED AND TRANSFERRED FROM THE GENERAL FUND TO THE  
3        21ST CENTURY JOBS TRUST FUND \$60,000,000.00 AND THERE IS  
4        APPROPRIATED FROM THE 21ST CENTURY JOBS TRUST FUND TO THE FUND  
5        \$50,000,000.00 FOR CARRYING OUT THE PURPOSES OF THIS CHAPTER. NOT  
6        MORE THAN 1/4 OF THE TOTAL AMOUNT APPROPRIATED FROM THE NET  
7        PROCEEDS DESCRIBED IN SECTION 8(2) OF THE MICHIGAN TOBACCO  
8        SETTLEMENT FINANCE AUTHORITY ACT, 2005 PA 226, MCL 129.268, SHALL  
9        BE USED TO PROMOTE BUSINESS DEVELOPMENT IN THIS STATE.  
10        (2) UPON REQUEST FROM THE BOARD, THE STATE TREASURER SHALL

1 TRANSFER APPROPRIATED FUNDS FROM THE 21ST CENTURY JOBS TRUST FUND  
2 ESTABLISHED UNDER SECTION 7(1)(B) OF THE MICHIGAN TRUST FUND ACT,  
3 2000 PA 489, MCL 12.257, IN THE AMOUNTS DESIGNATED BY THE BOARD AT  
4 THE TIME AND AS NECESSARY TO FUND DISBURSEMENTS REQUIRED FOR THE  
5 MICHIGAN PROMOTION PROGRAM.

6 (3) THE APPROPRIATION AUTHORIZED IN SUBSECTION (1) IS A WORK  
7 PROJECT APPROPRIATION AND ANY UNENCUMBERED OR UNALLOTTED FUNDS ARE  
8 CARRIED FORWARD INTO THE FOLLOWING FISCAL YEAR. THE FOLLOWING IS IN  
9 COMPLIANCE WITH SECTION 451A(1) OF THE MANAGEMENT AND BUDGET ACT,  
10 1984 PA 431, MCL 18.1451A:

11 (A) THE PURPOSE OF THE PROJECT IS TO PROVIDE ECONOMIC BENEFITS  
12 AND JOB CREATION WITHIN THIS STATE THROUGH THE PROMOTION OF  
13 TOURISM.

14 (B) THE WORK PROJECT WILL BE ACCOMPLISHED THROUGH THE USE OF  
15 INTERAGENCY AGREEMENTS, GRANTS, STATE EMPLOYEES, AND CONTRACTS.

16 (C) THE TOTAL ESTIMATED COMPLETION COST OF THE PROJECT IS  
17 \$50,000,000.00.

18 (D) THE EXPECTED COMPLETION DATE IS DECEMBER 31, 2010.

19 SEC. 89C. (1) THE FUND BOARD SHALL SELECT VENDORS FOR MICHIGAN  
20 PROMOTION PROGRAM EXPENDITURES UNDER THIS CHAPTER EXCEEDING  
21 \$250,000.00 BY ISSUING A REQUEST FOR PROPOSAL. AT A MINIMUM, THE  
22 REQUEST FOR PROPOSAL SHALL REQUIRE THE RESPONDING ENTITIES TO  
23 DISCLOSE ANY CONFLICT OF INTEREST, DISCLOSE ANY CRIMINAL  
24 CONVICTIONS, DISCLOSE ANY INVESTIGATIONS BY THE INTERNAL REVENUE  
25 SERVICE OR ANY OTHER FEDERAL OR STATE TAXING BODY OR COURT,  
26 DISCLOSE ANY PERTINENT LITIGATION REGARDING THE CONDUCT OF THE  
27 ENTITY, AND MAINTAIN RECORDS AND EVIDENCE PERTAINING TO WORK

1 PERFORMED FOR AT LEAST 5 YEARS. THE FUND BOARD SHALL ESTABLISH A  
2 STANDARD PROCESS TO EVALUATE PROPOSALS SUBMITTED AS A RESULT OF A  
3 REQUEST FOR PROPOSAL AND APPOINT A COMMITTEE TO REVIEW THE  
4 PROPOSALS. MEMBERS OF ANY COMMITTEE OR INDIVIDUALS WORKING ON  
5 BEHALF OF THE MICHIGAN STRATEGIC FUND, PAID OR UNPAID, SHALL HAVE  
6 NO CONFLICT OF INTEREST AS DETERMINED BY THE OFFICE OF THE CHIEF  
7 COMPLIANCE OFFICER ESTABLISHED IN SECTION 88I. THIS SUBSECTION DOES  
8 NOT APPLY TO A CONTRACT THAT WAS IN EXISTENCE ON MARCH 25, 2008 OR  
9 TO THE EXTENSION OF A CONTRACT IN WHICH THE RIGHT TO EXTEND WAS IN  
10 EXISTENCE ON OR BEFORE MARCH 25, 2008.

11 (2) NOT LESS THAN 75% OF THE FUNDS APPROPRIATED UNDER THIS  
12 CHAPTER SHALL BE TARGETED TO PERSONS OR ENTITIES OUTSIDE OF THIS  
13 STATE. NO FUNDS MAY BE USED FOR ANY MICHIGAN PROMOTION PROGRAM  
14 EFFORT THAT INCLUDES A REFERENCE TO OR THE IMAGE OR VOICE OF AN  
15 ELECTED OFFICIAL, APPOINTED STATE EMPLOYEE, STATE EMPLOYEE GOVERNED  
16 BY A SENIOR EXECUTIVE SERVICE LIMITED TERM EMPLOYMENT AGREEMENT, OR  
17 A CANDIDATE FOR ELECTIVE OFFICE, AND THAT IS TARGETED TO A MEDIA  
18 MARKET IN THIS STATE.

19 SEC. 89D. (1) IN ADDITION TO ANY REPORTING REQUIREMENTS UNDER  
20 SECTION 9, ON OR BEFORE APRIL 15, 2009, AND EACH SUCCEEDING APRIL  
21 15, THE FUND SHALL REPORT TO THE SENATE AND HOUSE APPROPRIATIONS  
22 SUBCOMMITTEES THAT HAVE JURISDICTION OVER ECONOMIC DEVELOPMENT  
23 ISSUES, THE SENATE AND HOUSE STANDING COMMITTEES THAT HAVE  
24 JURISDICTION OVER ECONOMIC DEVELOPMENT ISSUES, AND THE SENATE AND  
25 HOUSE FISCAL AGENCIES ON THE PROGRAMS ESTABLISHED IN THIS CHAPTER.  
26 THE REPORT SHALL INCLUDE, BUT IS NOT LIMITED TO, THE FOLLOWING  
27 INFORMATION:

1 (A) FOR TOURISM PROMOTION EFFORTS, ALL OF THE FOLLOWING:

2 (i) THE AMOUNT SPENT FOR PROMOTION OUTSIDE OF THIS STATE.

3 (ii) AN ITEMIZED LIST BY MARKET OF HOW MUCH WAS SPENT, WHEN THE  
4 PROMOTION OCCURRED, THE TYPES OF MEDIA PURCHASED, AND THE TYPE OF  
5 TOURISM PROMOTED, SPECIFICALLY CULTURAL, VACATION, RECREATIONAL,  
6 LEISURE, HUNTING-RELATED, OR AGRICULTURE-RELATED.

7 (iii) THE RETURN ON INVESTMENT ANALYSIS THAT UTILIZES EXISTING  
8 BASELINE DATA AND COMPARES RESULTS WITH PRIOR OUTCOME EVALUATIONS  
9 FUNDED BY TRAVEL MICHIGAN.

10 (B) FOR BUSINESS DEVELOPMENT EFFORTS, ALL OF THE FOLLOWING:

11 (i) THE AMOUNT SPENT FOR BUSINESS DEVELOPMENT OUTSIDE OF THIS  
12 STATE.

13 (ii) AN ITEMIZED LIST BY MARKET OF HOW MUCH WAS SPENT, WHEN THE  
14 PROMOTION OCCURRED, AND THE TYPES OF MEDIA PURCHASED.

15 (iii) A PERFORMANCE ANALYSIS THAT COMPARES THE PROGRAM OR  
16 CAMPAIGN OBJECTIVES AND OUTCOME OF THE CAMPAIGN OR PROGRAM. OUTCOME  
17 MEASURES MAY INCLUDE, BUT ARE NOT LIMITED TO, BUSINESSES RELOCATED  
18 TO THIS STATE, IMPACT ON THE BUSINESS COMMUNITY'S PERCEPTION OF THE  
19 QUALITY OF LIFE IN THIS STATE, JOBS CREATED, INCREASES IN EXPORT  
20 SALES, IMPACT ON THE NUMBER OF RETAILERS CARRYING MICHIGAN  
21 COMMODITIES, BOTH WITHIN AND OUTSIDE OF THIS STATE, AND INCREASED  
22 SALES OF MICHIGAN PRODUCTS AT CHAIN GROCERS.

23 (2) THE FUND SHALL WORK WITH THE DEPARTMENT OF AGRICULTURE TO  
24 DEVELOP A MECHANISM TO REPORT THE RETURN ON INVESTMENT FOR  
25 AGRICULTURE-RELATED TOURISM AND COMPARE RESULTS WITH PRIOR OUTCOME  
26 EVALUATIONS CONDUCTED BY THE DEPARTMENT OF AGRICULTURE IF  
27 APPLICABLE.

1           (3) THE FUND SHALL ENSURE DATA REPORTED ON OR BEFORE APRIL 15,  
2   2009 CAN BE USED TO ESTABLISH A BASELINE FOR FUTURE COMPARISON.