

SUBSTITUTE FOR
HOUSE BILL NO. 6052

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
(MCL 125.2001 to 125.2094) by adding sections 79c, 79d, and 79e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 79C. (1) EXCEPT AS PROVIDED IN SECTION 79B, MONEY IN THE
2 MICHIGAN MICROENTERPRISE FUND SHALL BE USED ONLY TO MAKE LOANS OR
3 GRANTS TO MICROENTERPRISE DEVELOPMENT ORGANIZATIONS IN THIS STATE
4 FOR MICROENTERPRISE DEVELOPMENT.

5 (2) LOANS OR GRANTS TO MICROENTERPRISE DEVELOPMENT
6 ORGANIZATIONS IN THIS STATE SHALL BE USED ONLY FOR THE FOLLOWING
7 PURPOSES:

8 (A) ADMINISTERING A LOAN OR LOAN GUARANTEE PROGRAM.

9 (B) ADMINISTERING A REVOLVING LOAN PROGRAM.

1 (C) PROVIDING BUSINESS TRAINING AND TECHNICAL ASSISTANCE.

2 (D) PROVIDING BUSINESS LOANS.

3 (3) GRANTS TO A MICROENTERPRISE DEVELOPMENT ORGANIZATION FOR
4 ADMINISTRATION, BUSINESS TRAINING, AND TECHNICAL ASSISTANCE SHALL
5 NOT EXCEED 50% OF THE OPERATING COSTS OF THAT MICROENTERPRISE
6 DEVELOPMENT ORGANIZATION PER YEAR.

7 (4) LOANS MADE FROM THE FUND TO A MICROENTERPRISE DEVELOPMENT
8 ORGANIZATION SHALL BE FOR A TERM NOT TO EXCEED 5 YEARS AT 0%
9 INTEREST AND SHALL BE RENEWABLE.

10 (5) LOANS FROM A MICROENTERPRISE DEVELOPMENT ORGANIZATION TO A
11 MICROENTERPRISE BUSINESS SHALL NOT EXCEED \$35,000.00 PER YEAR.
12 HOWEVER, AT LEAST 50% OF THE LOANS MADE FROM A MICROENTERPRISE
13 DEVELOPMENT ORGANIZATION SHALL NOT EXCEED \$10,000.00.

14 SEC. 79D. (1) THE CENTER SHALL MAKE GRANTS AND LOANS DESCRIBED
15 IN THIS SECTION TO MICROENTERPRISE DEVELOPMENT ORGANIZATIONS BASED
16 ON THE FOLLOWING CRITERIA AS DETERMINED BY THE CENTER:

17 (A) A PLAN FOR PROVIDING BUSINESS DEVELOPMENT TRAINING,
18 TECHNICAL ASSISTANCE, AND LOANS TO MICROENTERPRISE BUSINESSES.

19 (B) THE SCOPE OF THE BUSINESS DEVELOPMENT TRAINING AND
20 TECHNICAL ASSISTANCE SERVICES TO BE PROVIDED TO MICROENTERPRISE
21 BUSINESSES.

22 (C) A PLAN FOR COORDINATING THE BUSINESS DEVELOPMENT TRAINING,
23 TECHNICAL ASSISTANCE, AND LOANS OF THE MICROENTERPRISE DEVELOPMENT
24 ORGANIZATION WITH COMMERCIAL AND OTHER NONPROFIT FINANCIAL
25 INSTITUTIONS.

26 (D) A PLAN AND THE CAPACITY FOR PROVIDING BUSINESS TRAINING,
27 TECHNICAL ASSISTANCE, AND BUSINESS LOANS.

House Bill No. 6052 (H-1) as amended May 12, 2010

1 (E) THE ABILITY OF THE MICROENTERPRISE DEVELOPMENT
2 ORGANIZATION TO PROVIDE FINANCIAL OVERSIGHT OF LOANS AND GRANTS
3 UNDER THIS CHAPTER.

4 (2) AS A CONDITION OF RECEIVING A LOAN OR GRANT UNDER THIS
5 CHAPTER, THE RECIPIENT MICROENTERPRISE DEVELOPMENT ORGANIZATION
6 SHALL PROVIDE PERIODIC PERFORMANCE REPORTS AS DETERMINED BY THE
7 CENTER.

8 (3) AS A CONDITION OF RECEIVING A LOAN OR GRANT UNDER THIS
9 CHAPTER, THE RECIPIENT MICROENTERPRISE DEVELOPMENT ORGANIZATION
10 SHALL PROVIDE THAT A PERSON WHO HAS BEEN CONVICTED OF A FELONY IS
11 NOT ELIGIBLE FOR A LOAN FUNDED UNDER THIS CHAPTER IF THE
12 MICROENTERPRISE DEVELOPMENT ORGANIZATION DETERMINES THAT THE
13 CONVICTION OF THAT FELONY WILL MATERIALLY IMPACT THAT PERSON'S
14 ABILITY TO REPAY THE LOAN.

15 (4) THE CENTER AND FUND SHALL ENSURE THAT THEY HAVE INPUT AND
16 ASSISTANCE FROM INDIVIDUALS KNOWLEDGEABLE OF MICROENTERPRISE
17 DEVELOPMENT IN AWARDING GRANTS AND LOANS UNDER THIS CHAPTER.

18 SEC. 79E. THE CENTER SHALL REPORT TO THE GOVERNOR AND EACH
19 HOUSE OF THE LEGISLATURE EACH YEAR ON ALL OF THE FOLLOWING [AND MAKE THAT
20 INFORMATION AVAILABLE TO THE PUBLIC ON THE MICHIGAN STRATEGIC FUND OR
21 DEPARTMENT OF TREASURY WEBSITE]:

22 (A) THE AMOUNT OF ALL LOANS AND GRANTS, INDIVIDUALLY
23 IDENTIFIED, TO EACH MICROENTERPRISE DEVELOPMENT ORGANIZATION.

24 (B) THE AMOUNT AND RECIPIENT OF EVERY LOAN MADE BY A
25 MICROENTERPRISE DEVELOPMENT ORGANIZATION.

26 (C) TYPES AND INDIVIDUAL UNITS OF BUSINESS TRAINING AND
27 TECHNICAL ASSISTANCE PROVIDED BY MICROENTERPRISE DEVELOPMENT
ORGANIZATIONS.

(D) AN EVALUATION OF THE DEMAND AND THE EFFECTIVENESS OF THIS

1 PROGRAM BASED ON DEVELOPING NEW, AND INCREASING THE CAPACITY OF
2 EXISTING, MICROENTERPRISE BUSINESSES IN THIS STATE; STRENGTHENING
3 THE CAPACITY OF MICROENTERPRISE DEVELOPMENT ORGANIZATIONS;
4 ENHANCING THE EARNING CAPACITY AND REDUCING THE DEPENDENCE ON
5 PUBLIC SERVICES OF INDIVIDUALS AND FAMILIES RECEIVING BUSINESS
6 TRAINING, TECHNICAL ASSISTANCE, AND LOANS THROUGH THE CENTER'S
7 GRANT AND LOAN PROGRAMS; AND FUNDS PROVIDED BY OTHER PUBLIC AND
8 PRIVATE ENTITIES THAT WERE LEVERAGED THROUGH THE PROGRAMS DESCRIBED
9 IN THIS CHAPTER.

10 Enacting section 1. This amendatory act does not take effect
11 unless House Bill No. 6051 of the 95th Legislature is enacted into
12 law.