

**SUBSTITUTE FOR  
SENATE BILL NO. 2**

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
(MCL 125.2001 to 125.2094) by amending the title, as amended by  
2005 PA 255, and by adding chapter 7A.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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TITLE

An act relating to the economic development of this state; to  
create the Michigan strategic fund and to prescribe its powers and  
duties; to transfer and provide for the acquisition and succession  
to the rights, properties, obligations, and duties of the job  
development authority and the Michigan economic development  
authority to the Michigan strategic fund; to provide for the  
expenditure of proceeds in certain funds to which the Michigan  
strategic fund succeeds in ownership; to provide for the issuance

1 of, and terms and conditions for, certain notes and bonds of the  
2 Michigan strategic fund; to create certain boards and funds; to  
3 create certain permanent funds; to exempt the property, income, and  
4 operation of the fund and its bonds and notes, and the interest  
5 thereon, from certain taxes; to provide for the creation of certain  
6 centers within and for the purposes of the Michigan strategic fund;  
7 to provide for the creation and funding of certain accounts for  
8 certain purposes; **TO PROVIDE FOR THE CREATION OF AN OFFICE OF**  
9 **BUSINESS OMBUDSMAN WITHIN THE MICHIGAN STRATEGIC FUND AND TO**  
10 **PROVIDE FOR ITS POWERS AND DUTIES;** to impose certain powers and  
11 duties upon certain officials, departments, and authorities of this  
12 state; to make certain loans, grants, and investments; to provide  
13 penalties; to make an appropriation; and to repeal acts and parts  
14 of acts.

15 **CHAPTER 7A**

16 **SEC. 79A. AS USED IN THIS CHAPTER:**

17 **(A) "OFFICE" MEANS THE OFFICE OF THE BUSINESS OMBUDSMAN.**

18 **(B) "OMBUDSMAN" MEANS THE BUSINESS OMBUDSMAN.**

19 **SEC. 79B. (1) THE OFFICE OF THE BUSINESS OMBUDSMAN IS CREATED**  
20 **AS AN AUTONOMOUS ENTITY IN THE FUND. THE OFFICE SHALL BE AN**  
21 **INDEPENDENT, IMPARTIAL STATE OFFICE EMPOWERED TO INVESTIGATE AND**  
22 **REVIEW THE ACTIONS OF REGULATORY AGENCIES OF THIS STATE. THE OFFICE**  
23 **SHALL MONITOR AND ENSURE COMPLIANCE WITH RELEVANT LAWS AND POLICIES**  
24 **AND RECOMMEND APPROPRIATE CHANGES IN POLICY, PROCEDURE, AND**  
25 **LEGISLATION.**

26 **(2) THE PRINCIPAL EXECUTIVE OFFICER OF THE OFFICE IS THE**  
27 **BUSINESS OMBUDSMAN, WHO SHALL BE APPOINTED BY THE GOVERNOR WITH THE**

1 ADVICE AND CONSENT OF THE SENATE. THE INDIVIDUAL WHO IS SERVING IN  
2 THE CAPACITY OF BUSINESS OMBUDSMAN ON THE EFFECTIVE DATE OF THIS  
3 AMENDATORY ACT SHALL CONTINUE TO SERVE AS THE BUSINESS OMBUDSMAN,  
4 SUBJECT TO THE ADVICE AND CONSENT OF THE SENATE.

5 (3) THE INDIVIDUAL APPOINTED OMBUDSMAN SHALL BE QUALIFIED BY  
6 TRAINING AND EXPERIENCE TO PERFORM THE DUTIES AND EXERCISE THE  
7 POWERS OF THE BUSINESS OMBUDSMAN AND THE OFFICE AS PROVIDED IN THIS  
8 ACT.

9 (4) THE GOVERNOR MAY REMOVE THE OMBUDSMAN FROM OFFICE FOR  
10 CAUSE, INCLUDING, BUT NOT LIMITED TO, INCOMPETENCE, OFFICIAL  
11 MISCONDUCT, HABITUAL OR WILLFUL NEGLECT OF DUTY, OR OTHER  
12 MISFEASANCE OR MALFEASANCE IN CONNECTION WITH THE OPERATION OF THE  
13 OFFICE. THE GOVERNOR SHALL REPORT THE REASON FOR THE REMOVAL TO THE  
14 LEGISLATURE.

15 (5) THE OMBUDSMAN SHALL NOT BE ACTIVELY INVOLVED IN POLITICAL  
16 PARTY ACTIVITIES OR PUBLICLY ENDORSE, SOLICIT FUNDS FOR, OR MAKE  
17 CONTRIBUTIONS TO POLITICAL PARTIES OR CANDIDATES FOR ELECTIVE  
18 OFFICE. THE OMBUDSMAN SHALL NOT ENGAGE IN ANY OTHER OCCUPATION,  
19 BUSINESS, OR PROFESSION LIKELY TO DETRACT FROM THE FULL-TIME  
20 PERFORMANCE OF HIS OR HER DUTIES AS OMBUDSMAN OR TO RESULT IN A  
21 CONFLICT OF INTEREST OR AN APPEARANCE OF IMPROPRIETY OR PARTIALITY.

22 SEC. 79C. (1) THE OFFICE OF THE BUSINESS OMBUDSMAN SHALL  
23 RECEIVE, INVESTIGATE, AND RESOLVE COMPLAINTS AND DISPUTES FROM  
24 BUSINESSES AGAINST DEPARTMENTS AND AGENCIES OF THIS STATE. ANY  
25 INDIVIDUAL MAY SUBMIT A COMPLAINT TO THE OFFICE. THE OFFICE HAS THE  
26 SOLE DISCRETION AND AUTHORITY TO DETERMINE IF A COMPLAINT FALLS  
27 WITHIN THE POWERS AND DUTIES OF THE OFFICE TO INVESTIGATE. THE

1 OFFICE MAY INITIATE AN INVESTIGATION WITHOUT RECEIVING A COMPLAINT.  
2 COMPLAINANTS ARE ENTITLED TO RECEIVE THE RECOMMENDATIONS OF THE  
3 OMBUDSMAN AND THE DEPARTMENT OR AGENCY'S RESPONSE TO THE  
4 RECOMMENDATIONS OF THE OMBUDSMAN CONSISTENT WITH STATE AND FEDERAL  
5 LAW.

6 (2) THE OFFICE MAY COORDINATE OR DO ALL OF THE FOLLOWING:

7 (A) CONDUCT INDEPENDENT EVALUATIONS OF ALL ACTIVITIES  
8 CONDUCTED UNDER SECTION 79D.

9 (B) REVIEW AND PROVIDE COMMENTS AND RECOMMENDATIONS TO THE  
10 FEDERAL GOVERNMENT AND STATE DEPARTMENTS AND AGENCIES REGARDING THE  
11 DEVELOPMENT AND IMPLEMENTATION OF REGULATORY REQUIREMENTS THAT  
12 IMPACT BUSINESSES.

13 (C) FACILITATE AND PROMOTE THE PARTICIPATION OF BUSINESSES IN  
14 THE DEVELOPMENT OF RULES THAT IMPACT BUSINESSES.

15 (D) ASSIST IN PROVIDING REPORTS TO THE GOVERNOR AND  
16 LEGISLATURE AND THE PUBLIC REGARDING THE APPLICABILITY OF STATE  
17 LAWS AND REGULATIONS TO BUSINESS.

18 (E) AID IN THE DISSEMINATION OF INFORMATION TO BUSINESSES AND  
19 OTHER INTERESTED PARTIES.

20 (F) PARTICIPATE IN OR SPONSOR MEETINGS AND CONFERENCES WITH  
21 STATE AND LOCAL REGULATORY OFFICIALS, INDUSTRY GROUPS, AND BUSINESS  
22 REPRESENTATIVES.

23 (G) WORK WITH TRADE ASSOCIATIONS AND BUSINESSES TO BRING ABOUT  
24 VOLUNTARY COMPLIANCE WITH REGULATORY LAWS AND RULES.

25 (H) WORK WITH REGIONAL AND STATE OFFICES OF THE SMALL BUSINESS  
26 ADMINISTRATION, THE UNITED STATES DEPARTMENT OF COMMERCE, THE  
27 UNITED STATES DEPARTMENT OF AGRICULTURE, THE MICHIGAN STRATEGIC

1 FUND, AND THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION, AND OTHER  
2 FEDERAL AND STATE AGENCIES THAT MAY HAVE PROGRAMS TO FINANCIALLY  
3 ASSIST BUSINESSES IN NEED OF FUNDS TO COMPLY WITH STATE REGULATION.

4 (I) WORK WITH PRIVATE SECTOR FINANCIAL INSTITUTIONS TO ASSIST  
5 BUSINESSES IN LOCATING SOURCES OF FUNDS TO COMPLY WITH STATE  
6 REGULATION.

7 (J) CONDUCT STUDIES TO EVALUATE THE IMPACTS OF STATE  
8 REGULATION ON THE STATE'S ECONOMY, LOCAL ECONOMIES, AND BUSINESSES.

9 (K) WORK WITH OTHER STATES TO ESTABLISH A NETWORK FOR SHARING  
10 INFORMATION ON BUSINESSES AND THEIR EFFORTS TO COMPLY WITH STATE  
11 REGULATION.

12 (L) MAKE RECOMMENDATIONS TO THE DEPARTMENT AND THE LEGISLATURE  
13 CONCERNING THE REDUCTION OF ANY FEES REQUIRED UNDER STATE LAW TO  
14 TAKE INTO ACCOUNT THE FINANCIAL RESOURCES OF BUSINESSES.

15 SEC. 79D. (1) THE OMBUDSMAN SHALL ESTABLISH PROCEDURES FOR THE  
16 OFFICE FOR BUDGETING, EXPENDING MONEY, AND EMPLOYING PERSONNEL  
17 ACCORDING TO THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL  
18 18.1101 TO 18.1594. SUBJECT TO ANNUAL APPROPRIATIONS, THE OMBUDSMAN  
19 SHALL EMPLOY SUFFICIENT PERSONNEL TO CARRY OUT THE DUTIES AND  
20 POWERS PRESCRIBED BY THIS ACT. THE BOARD SHALL COOPERATE WITH THE  
21 OFFICE IN ADMINISTERING THE BUDGET, PROCUREMENT, AND RELATED  
22 MANAGEMENT FUNCTIONS OF THE OFFICE. THE BOARD MAY PROVIDE THE  
23 OFFICE WITH STAFF SUPPORT AND OTHER SERVICES TO ASSIST THE OFFICE  
24 IN PERFORMING THE FUNCTIONS AND DUTIES OF THE OFFICE.

25 (2) THE OFFICE OF BUSINESS OMBUDSMAN MAY DEVELOP MECHANISMS  
26 FOR ALL OF THE FOLLOWING:

27 (A) DEVELOPING, COLLECTING, AND COORDINATING INFORMATION ON

1 COMPLIANCE METHODS AND TECHNOLOGIES FOR BUSINESSES.

2 (B) ASSISTING BUSINESS WITH INFORMATION REGARDING ALTERNATIVE  
3 TECHNOLOGIES, PROCESS CHANGES, AND PRODUCTS AND METHODS OF  
4 OPERATION THAT HELP ENSURE COMPLIANCE WITH STATE REGULATION.

5 (C) ESTABLISHING A COMPLIANCE ASSISTANCE PROGRAM THAT ASSISTS  
6 BUSINESSES IN DETERMINING APPLICABLE REQUIREMENTS FOR COMPLIANCE  
7 AND THE PROCEDURES FOR OBTAINING PERMITS EFFICIENTLY IN A TIMELY  
8 MANNER UNDER STATE LAW.

9 (3) THE OFFICE SHALL DEVELOP ADEQUATE MECHANISMS FOR ALL OF  
10 THE FOLLOWING:

11 (A) ENCOURAGING LAWFUL COOPERATION AMONG BUSINESSES AND OTHER  
12 PERSONS TO FURTHER COMPLIANCE WITH STATE REGULATORY LAWS AND FOR  
13 RECEIVING AND PROCESSING COMPLAINTS ABOUT THE ADMINISTRATION OF  
14 THOSE LAWS BY STATE DEPARTMENTS AND AGENCIES.

15 (B) PROVIDING MECHANISMS AND ACCESS TO INFORMATION SO THAT  
16 BUSINESSES RECEIVE NOTIFICATION OF THEIR RIGHTS UNDER STATE LAW IN  
17 A MANNER AND FORM THAT ASSURES REASONABLY ADEQUATE TIME FOR  
18 BUSINESSES TO EVALUATE THEIR COMPLIANCE METHODS OR APPLICABLE  
19 PROPOSED OR FINAL RULES OR STANDARDS.

20 (C) INFORMING BUSINESSES OF THEIR OBLIGATIONS UNDER STATE LAW,  
21 INCLUDING MECHANISMS FOR REFERRING BUSINESSES TO QUALIFIED AUDITORS  
22 OR TO THE STATE IF THE STATE ELECTS TO PROVIDE AUDITS TO DETERMINE  
23 COMPLIANCE WITH STATE LAW. TO THE EXTENT PERMISSIBLE BY STATE AND  
24 FEDERAL LAW, AUDITS SHALL BE SEPARATE FROM THE FORMAL INSPECTION  
25 AND COMPLIANCE PROGRAM.

26 (D) PROVIDING INFORMATION ON HOW TO OBTAIN CONSIDERATION FROM  
27 A STATE DEPARTMENT OR AGENCY ON REQUESTS FROM BUSINESSES FOR

1 **MODIFICATIONS OF ANY WORK PRACTICE OR TECHNOLOGICAL METHOD OF**  
2 **COMPLIANCE.**

3       Enacting section 1. This amendatory act does not take effect  
4 unless Senate Bill No. 340 of the 95th Legislature is enacted into  
5 law.