

# SENATE BILL NO. 1194

September 28, 2022, Introduced by Senator VICTORY and referred to the Committee on Transportation and Infrastructure.

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
(MCL 125.2001 to 125.2094) by adding chapter 8F.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

### CHAPTER 8F

Sec. 90t. As used in this chapter:

(a) "Commercial driver license" or "CDL" means operator's or  
chauffeur's license with a vehicle group designation under section  
312e of the Michigan vehicle code, 1949 PA 300, MCL 257.312e.

1 (b) "Grant" means a grant issued under the program.

2 (c) "High-demand sector" includes all of the following  
3 transportation sectors:

4 (i) Milk.

5 (ii) Hazmat.

6 (iii) Any other transportation sector that the fund determines  
7 is facing a critical shortage of drivers with commercial driver  
8 licenses or specialized endorsements.

9 (d) "Program" means the CDL grant program created under  
10 section 90u.

11 (e) "Program fund" means the CDL grant program fund created in  
12 section 90v.

13 (f) "Qualified costs" means costs associated with a qualified  
14 employee obtaining a CDL or specialized endorsement, including, but  
15 not limited to, costs for all of the following:

16 (i) A commercial learner's permit, commercial driver license,  
17 or specialized endorsement.

18 (ii) CDL or specialized endorsement training classes.

19 (iii) Knowledge and driving skills tests.

20 (iv) A United States Department of Transportation medical  
21 examination and drug screening.

22 (g) "Qualified employee" means an employee of a qualified  
23 employer who meets all of the following requirements:

24 (i) Is a United States citizen or otherwise authorized to work  
25 in the United States.

26 (ii) Is a permanent, full-time employee of the qualified  
27 employer.

28 (iii) Has a base of operations in this state.

29 (h) "Qualified employer" means a business entity that is

1 located in this state and employs individuals to perform driving  
2 functions that require a CDL or specialized endorsement.

3 (i) "Specialized endorsement" means a vehicle endorsement for  
4 a CDL under section 312e of the Michigan vehicle code, 1949 PA 300,  
5 MCL 257.312e.

6 Sec. 90u. (1) The fund shall create and operate the CDL grant  
7 program. The fund shall use money appropriated from the program  
8 fund or other money appropriated to the program to provide  
9 competitive grants to qualified employers for qualified costs.

10 (2) The fund shall develop a detailed grant application,  
11 approval, and compliance process that is also published and  
12 available on its website or on the website of the Michigan economic  
13 development corporation.

14 (3) The fund shall consider and document at a minimum all of  
15 the following criteria to the extent reasonably applicable as  
16 determined by the fund board before entering into a written  
17 agreement for a grant as provided under subsection (4):

18 (a) That the applicant qualifies as a qualified employer.

19 (b) Whether the grant will cover qualified costs for 1 or more  
20 qualified employees in a high-demand sector.

21 (c) The extent to which issuance of the grant will relieve a  
22 shortage of CDL or specially endorsed drivers in this state.

23 (d) Any other additional criteria approved by the board that  
24 are consistent with the purpose of the program.

25 (4) If the fund determines, after making the considerations  
26 under subsection (3), to award a grant to a qualified employer  
27 under the program, the fund shall enter into a written agreement  
28 with the qualified employer that includes in a clear and concise  
29 manner all of the terms and conditions imposed on the qualified

1 employer to receive a grant, including, but not limited to, all of  
2 the following:

3 (a) A requirement that the qualified employer repay any grants  
4 if the qualified employer fails to comply with the provisions of  
5 the written agreement.

6 (b) An audit provision that requires the fund to verify that  
7 the terms and conditions for the grant have been met.

8 (c) A requirement that the qualified employer provide any  
9 information necessary for the fund to comply with the reporting  
10 requirement under subsection (7) and any other reporting  
11 requirements under this act.

12 (d) Unless subsection (6) applies, a requirement that the  
13 qualified employer provide the cash match described in subsection  
14 (5).

15 (5) Except as otherwise provided in subsection (6), a  
16 qualified employer must not receive a grant in excess of 80% of its  
17 qualified costs and must provide a cash match to cover 20% of its  
18 qualified costs.

19 (6) A grant may cover 100% of qualified costs for a qualified  
20 employee in a high-demand sector.

21 (7) Not later than March 15 of each year, the fund shall  
22 transmit to each member of the legislature, the governor, the clerk  
23 of the house of representatives, the secretary of the senate, and  
24 the senate and house fiscal agencies a report on the activities of  
25 the program. The report must include a list of qualified employers  
26 that received a grant and, for each qualified employer listed, all  
27 of the following:

28 (a) The amount of the grant.

29 (b) The amount of any cash match required or, if a cash match

1 was not required, a statement to that effect that identifies the  
2 high-demand sectors served by the grant.

3 (c) The number of qualified employees that obtained a CDL or  
4 specialized endorsement as a result of the grant.

5 (d) The amount of money required to be repaid due to a breach  
6 of the written agreement.

7 (8) The fund shall post on its website or post on the website  
8 of the Michigan economic development corporation the name and  
9 location of each qualified employer that received a grant and the  
10 amount of the grant.

11 Sec. 90v. (1) The CDL grant program fund is created in the  
12 state treasury.

13 (2) The state treasurer shall deposit money and other assets  
14 received from any source in the program fund. The state treasurer  
15 shall direct the investment of money in the program fund and credit  
16 interest and earnings from the investments to the program fund.

17 (3) Money in the program fund at the close of the fiscal year  
18 remains in the program fund and does not lapse to the general fund.

19 (4) The fund is the administrator of the program fund for  
20 audits of the program fund.

21 (5) The fund shall expend money from the program fund on  
22 appropriation, only for 1 or more of the following purposes:

23 (a) Administering the program.

24 (b) Providing grants under the program to qualified employers  
25 for qualified costs as described in section 90u.