

**SUBSTITUTE FOR
SENATE BILL NO. 1116**

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 225, and by adding section 9c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act relating to the economic development of this state; to
3 create the Michigan strategic fund and to prescribe its powers and
4 duties; to transfer and provide for the acquisition and succession
5 to the rights, properties, obligations, and duties of the job
6 development authority and the Michigan economic development
7 authority to the Michigan strategic fund; to provide for the
8 expenditure of proceeds in certain funds to which the Michigan



1 strategic fund succeeds in ownership; to provide for the issuance
2 of, and terms and conditions for, certain notes and bonds of the
3 Michigan strategic fund; to create certain boards and funds; to
4 create certain permanent funds; to exempt the property, income, and
5 operation of the fund and its bonds and notes, and the interest
6 thereon, from certain taxes; to provide for the creation of certain
7 centers within and for the purposes of the Michigan strategic fund;
8 to provide for the creation and funding of certain accounts for
9 certain purposes; to impose certain powers and duties upon certain
10 officials, departments, and authorities of this state; to make
11 certain loans, grants, and investments; **to create the strategic**
12 **advisory board and prescribe its powers and duties; to provide for**
13 **the development of a certain strategic plan for this state;** to
14 provide penalties; to make an appropriation; and to repeal acts and
15 parts of acts.

16 **Sec. 9c. (1) Not later than 1 year after the appointment of**
17 **the members of the strategic advisory board, the strategic advisory**
18 **board shall develop a strategic plan for specific economic**
19 **development activities for the next 10 years, beginning with the**
20 **year of the effective date of the amendatory act that added this**
21 **section, for this state as a whole.**

22 (2) Not later than September 30 of the year after the year in
23 which the strategic plan is completed under subsection (1) and
24 September 30 of each year thereafter, the MEDC shall update the
25 strategic plan.

26 (3) The strategic plan described in subsection (1) must
27 include all of the following:

28 (a) The identification of specific goals and objectives for
29 economic development and the development of quantifiable metrics



1 and performance measures, anchored in population growth and the
2 success and prosperity of residents. The goals and objectives
3 identified by the plan must include, but are not limited to, all of
4 the following:

5 (i) Encouraging growth that promotes economic opportunity and
6 improves the quality of life for all residents of this state.

7 (ii) Providing incentives that promote and encourage natural
8 resource-based industries, including agriculture, forestry,
9 fishing, mining, and recreational tourism.

10 (iii) Providing appropriate incentives for economic development
11 in rural areas.

12 (iv) Providing appropriate incentives for economic development
13 in suburban areas.

14 (v) Providing appropriate incentives for economic development
15 in and redevelopment of urban areas.

16 (vi) Determining and developing, in an orderly and fiscally
17 responsible manner, infrastructure needed for rural, suburban, and
18 urban development.

19 (vii) Providing a framework for the development and
20 rehabilitation of affordable housing in this state.

21 (viii) Ensuring that water is available to serve the needs of
22 the residents of this state and that beneficial uses of water are
23 considered and protected.

24 (ix) Encouraging, consistent with the needs and circumstances
25 of the governmental subdivisions, compact and efficient patterns of
26 development that minimize consumption of land, protect natural
27 resources, enhance mobility of people and goods, promote efficient
28 expenditure of public funds, and reduce resource and energy
29 consumption.



1 (x) Protecting the environment and the quality of this state's
2 land, water, and air.

3 (xi) Conserving and protecting open space, scenic and natural
4 areas, recreational areas, and endangered, unique, and threatened
5 plant and animal species and their habitat.

6 (xii) Protecting and enhancing this state's natural, cultural,
7 and historic resources to maintain this state's heritage and
8 further its tourist economy.

9 (xiii) Protecting both public and private property interests as
10 established by law.

11 (xiv) Ensuring that the delivery of state services that promote
12 the health and welfare of the residents of this state is cost-
13 effective and reaches residents in need.

14 (xv) Providing, in cooperation with local school districts,
15 access to educational programs that will provide all residents of
16 this state an equal opportunity to obtain the skills necessary to
17 compete effectively in the global marketplace.

18 (xvi) Promoting the development and operation of an
19 educationally and economically sound, vigorous, progressive, and
20 coordinated system of higher education in this state.

21 (xvii) Ensuring the protection and safety of the residents of
22 this state from danger and harm.

23 (b) The identification of specific strategies, taking a whole-
24 of-government approach, to achieve the goals and objectives
25 identified under subdivision (a). The specific strategies must
26 include, but are not limited to, all of the following:

27 (i) An inventory of this state's existing infrastructure,
28 including transportation networks, correctional facilities,
29 educational institutions, public health facilities, water supply



1 and treatment facilities, sewerage systems and wastewater treatment
2 systems, and solid waste management disposal facilities, and an
3 analysis of the extent to which additions or improvements will be
4 needed to accommodate anticipated population and economic growth.

5 (ii) Strategies consistent with the goals and other plan
6 elements for the economic development of this state that include an
7 inventory and assessment of this state's economic base, labor force
8 characteristics, educational opportunities necessary to train the
9 labor force, affordable housing characteristics, and economic
10 development opportunities and resources, including the development
11 of economically disadvantaged areas and redevelopment of urban
12 areas, and a determination of what can be done to support retention
13 and expansion of existing businesses and attract new businesses and
14 industries.

15 (iii) Strategies consistent with the goals and other plan
16 elements to support and maintain the viability of agricultural and
17 forestry activities through specific programs that include measures
18 to protect unique and prime agricultural and forestry lands.

19 (iv) Strategies consistent with the goals and plan elements
20 that will meet the long-range transportation needs of this state.

21 (v) Strategies consistent with the goals and other plan
22 elements for the protection of this state's natural, historic, and
23 living resources that are based on an inventory of resources,
24 including groundwater supply; coastal resources; river watersheds;
25 floodplains; major park, recreation, and conservation areas;
26 historic resources; wetlands; and state-owned lands.

27 (vi) Strategies consistent with the goals and other plan
28 elements for the protection and safety of the residents of this
29 state.



1 (c) The identification and definition of not more than 5 key
2 regions within this state for the purposes of regional economic
3 development strategies and collaboration.

4 (d) The identification and proposed structure of a state-led
5 economic development entity best suited to serve these regions in
6 progress toward the defined goals and strategies to ensure
7 statewide success.

8 (e) The identification and analysis of this state's strategic
9 assets.

10 (f) The identification and analysis of this state's
11 competitive landscape.

12 (g) An analysis of the historical performance of this state's
13 economic development strategies. The analysis must consider whether
14 the economic development strategies resulted in outcomes that
15 increased the success and prosperity of the residents of this
16 state, including, but not limited to, whether each strategy led to
17 1 or more of the following:

18 (i) Higher median income.

19 (ii) Population growth.

20 (iii) Increased educational attainment.

21 (h) A process to evaluate this state's effectiveness in
22 exercising the powers and duties conferred by this act, including
23 the MEDC's ability to work with other state, regional, and local
24 economic development organizations.

25 (i) A process to evaluate this state's effectiveness in
26 achieving progress toward the quantifiable metrics and performance
27 measures as defined in the plan, with clearly defined policies and
28 actions if the MEDC falls short of the defined performance
29 measures.



1 (j) A strategy for coordinating with state agencies that
2 administer housing, educational, workforce, transportation, and
3 environmental programs as they interact with this state's economic
4 development strategy.

5 (4) In developing the strategic plan described in subsection
6 (1), the strategic advisory board shall do all of the following:

7 (a) Consult with key economic development partners, including,
8 but not limited to, all of the following:

9 (i) State, regional, and local economic development agencies
10 and organizations.

11 (ii) Urban, suburban, and rural stakeholders.

12 (b) Consider and incorporate as applicable all of the
13 following:

14 (i) Any reports of the growing Michigan together council.

15 (ii) The statewide housing plan developed by the Michigan state
16 housing development authority.

17 (iii) The statewide educational attainment plan, known as 60 by
18 30, to increase the number of working-age adults with a skill
19 certificate or college degree to 60% by 2030.

20 (iv) The Michigan statewide workforce plan approved by the
21 Michigan workforce development board.

22 (v) The MI Healthy Climate Plan developed by the Michigan
23 department of environment, Great Lakes, and energy through its
24 office of climate and energy.

25 (vi) The department of health and human services' strategic
26 priorities to improve health outcomes.

27 (vii) The Michigan Mobility 2045 Plan developed by the
28 department of transportation.

29 (viii) Michigan's statewide comprehensive literacy plan



1 developed by the department of education.

2 (ix) Any initiatives, goals, or action plans released or
3 recommended by the department of lifelong education, advancement,
4 and potential.

5 (5) Not later than May 1, 2026 and May 1 of each year
6 thereafter, the MEDC shall submit a report on the strategic plan,
7 any modifications to the strategic plan, and this state's progress
8 towards meeting the goals and objectives in the strategic plan.

9 (6) The MEDC shall submit the report under subsection (5) to
10 all of the following and publish the report on the website of the
11 fund or the Michigan economic development corporation:

12 (a) The governor.

13 (b) The house economic development and small business
14 committee.

15 (c) The senate economic and community development committee.

16 (d) The house appropriations subcommittee on labor, economic
17 development, and lifelong learning.

18 (e) The senate appropriations subcommittee on LEO/MEDC.

19 Enacting section 1. This amendatory act does not take effect
20 unless Senate Bill No. 1117 of the 102nd Legislature is enacted
21 into law.

