

HOUSE BILL NO. 5071

September 28, 2023, Introduced by Reps. Hoadley, Thompson, Alexander, Bierlein, Meerman, DeBoyer, Maddock, Bruck, Johnsen, Smit, Fink, Jaime Greene, Markkanen, Cavitt, Rigas and Kunse and referred to the Committee on Government Operations.

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
(MCL 125.2001 to 125.2094) by adding section 7c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 7c. (1) Notwithstanding anything to the contrary in this**
2 **act, the fund shall not knowingly enter into an agreement for an**
3 **economic incentive with a foreign entity.**

4 **(2) Before providing any economic incentive, the fund must**
5 **require the recipient or applicant to provide the fund with an**
6 **affidavit signed under penalty of perjury attesting that the**

1 recipient or applicant is not a foreign entity. The affidavit
2 required under this subsection must be provided in the form and
3 manner prescribed by the fund.

4 (3) A person, including a government entity, that receives an
5 economic incentive or is responsible for distributing an economic
6 incentive shall meet both of the following requirements:

7 (a) Shall not knowingly distribute an economic incentive to,
8 or use an economic incentive for the benefit of, a foreign entity.

9 (b) Shall require an entity to which an economic incentive is
10 distributed, or for whose benefit an economic incentive is used, to
11 provide the affidavit described in subsection (2) and shall forward
12 a copy of that affidavit to the fund.

13 (4) The fund shall promulgate rules under the administrative
14 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to
15 administer this section.

16 (5) As used in this section:

17 (a) "Controlled by" means another person has the power to
18 direct or cause the direction of the management or policies of an
19 entity, whether through ownership of securities, by contract, or
20 otherwise. A person that directly or indirectly holds not less than
21 a 25% voting interest in an entity or that is entitled to not less
22 than 25% of an entity's profits is presumed to control the entity.

23 (b) "Economic incentive" means all programs administered by,
24 or for which an applicant for the program must seek certification,
25 approval, or other action by, the fund under this act or another
26 law of this state. Economic incentive includes, but is not limited
27 to, grants, loans, and other economic assistance.

28 (c) "Foreign country of concern" means any of the following:

29 (i) The People's Republic of China.

- 1 (ii) The Russian Federation.
2 (iii) The Islamic Republic of Iran.
3 (iv) The Democratic People's Republic of Korea.
4 (v) The Republic of Cuba.
5 (vi) The Venezuelan regime of Nicolás Maduro.
6 (vii) The Syrian Arab Republic.
7 (viii) An agency of, or any other entity under significant
8 control of, an entity listed in subparagraphs (i) to (vii).

9 (d) "Foreign entity" means an entity that is any of the
10 following:

11 (i) Owned or controlled by the government of a foreign country
12 of concern.

13 (ii) Organized under the laws of or having its principal place
14 of business in a foreign country of concern.

15 (iii) A subsidiary of entity described in subparagraph (i) or
16 (ii).

17 (e) "Government entity" means any of the following:

18 (i) A state department or agency.

19 (ii) A political subdivision of this state.

20 (iii) A person, whether public or private, acting on behalf of
21 an entity described in subparagraph (i) or (ii).