

HOUSE BILL NO. 5652

April 23, 2024, Introduced by Reps. Hoskins, Farhat, VanWoerkom and Miller and referred to the Committee on Economic Development and Small Business.

A bill to amend 2003 PA 296, entitled "Michigan early stage venture investment act of 2003," by amending sections 7, 31, and 33 (MCL 125.2237, 125.2261, and 125.2263), section 7 as amended by 2015 PA 192 and section 31 as amended by 2015 PA 193.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 7. The articles of incorporation of a Michigan early
2 stage venture investment corporation ~~shall~~**must** contain all of the
3 following:
4 (a) The purposes of the corporation, which ~~shall~~**must** include,

1 but are not limited to, all of the following:

2 (i) To operate and act exclusively for charitable purposes with
3 the intent to lessen the financial burdens of the government of
4 this state.

5 (ii) To receive and administer funds for the charitable
6 purposes under subparagraph (i).

7 (iii) To raise capital and invest that capital in venture
8 capital firms with the intent of benefiting Michigan's seed or
9 early stage businesses.

10 (iv) To promote the economic health of this state by assisting
11 in the creation of new jobs, new businesses, and new industries
12 within this state and through the investment in certain businesses.

13 (v) To enter into an agreement with this state to promote the
14 economic health of this state.

15 (b) A provision that the Michigan early stage venture
16 investment corporation ~~shall~~**must** be governed by a board of
17 directors that complies with the requirements in section 13.

18 (c) A provision that provides ~~that, upon~~**for all of the**
19 **following:**

20 (i) **If, on June 30, 2024, a Michigan early stage venture**
21 **investment corporation has 1 or more Michigan early stage venture**
22 **investment funds with realized earned returns on investments that**
23 **exceed \$105,000,000.00 as of June 30, 2024, the board of the**
24 **Michigan early stage venture investment corporation shall**
25 **distribute \$105,000,000.00 to the state treasurer for deposit in**
26 **the 21st century jobs trust fund established in section 7 of the**
27 **Michigan trust fund act, 2000 PA 489, MCL 12.257.**

28 (ii) **For each year after December 31, 2024, if a Michigan early**
29 **stage venture investment corporation has 1 or more Michigan early**

1 stage venture investment funds with realized earned returns on
2 investments that exceed \$10,000,000.00 as of June 30 of that year,
3 the board of the Michigan early stage venture investment
4 corporation shall distribute not less than 75% of the earned
5 returns as of June 30 of that year to the state treasurer for
6 deposit in the 21st century jobs trust fund established in section
7 7 of the Michigan trust fund act, 2000 PA 489, MCL 12.257.

8 (iii) On dissolution of the Michigan early stage venture
9 investment corporation, the property remaining after providing for
10 debts and obligations of the Michigan early stage venture
11 investment corporation shall ~~must~~ be distributed ~~with the first~~
12 ~~\$140,000,000.00 going to the general fund of this state and any~~
13 ~~remaining going to~~ the 21st century jobs trust fund established in
14 section 7 of the Michigan trust fund act, 2000 PA 489, MCL 12.257.
15 For purposes of this subdivision, property remaining after
16 providing for debts and obligations does not include grants,
17 appropriations, or other restricted funds that must be distributed
18 as required by the source of those funds.

19 Sec. 31. ~~The~~ **A** fund created in section 19 ~~shall expire~~ **expires**
20 **on the date determined by the board of the Michigan early stage**
21 **investment corporation that established the fund, which date must**
22 **be after** January 1, 2030. Any money in the fund **on expiration of**
23 **the fund**, subject to all outstanding debts and obligation of the
24 Michigan early stage venture investment corporation being defeased
25 and satisfied, ~~shall must~~ be ~~distributed with the first~~
26 ~~\$140,000,000.00 going to the general fund of this state and any~~
27 ~~remaining going to~~ **deposited in** the 21st century jobs trust fund
28 established in section 7 of the Michigan trust fund act, 2000 PA
29 489, MCL 12.257.

1 Sec. 33. ~~This act does not take effect unless all of the~~
 2 ~~following bills of the 92nd Legislature are enacted into law:~~

3 ~~(a) Senate Bill No. 835.~~

4 ~~(b) House Bill No. 5322.~~ **Notwithstanding anything to the**
 5 **contrary in this act, both of the following apply:**

6 **(a) If, on June 30, 2024, a Michigan early stage venture**
 7 **investment corporation has 1 or more Michigan early stage venture**
 8 **investment funds with realized earned returns on investments that**
 9 **exceed \$105,000,000.00 as of June 30, 2024, the board of the**
 10 **Michigan early stage venture investment corporation shall**
 11 **distribute \$105,000,000.00 to the state treasurer for deposit in**
 12 **the 21st century jobs trust fund established in section 7 of the**
 13 **Michigan trust fund act, 2000 PA 489, MCL 12.257.**

14 **(b) For each year after December 31, 2024, if a Michigan early**
 15 **stage venture investment corporation has 1 or more Michigan early**
 16 **stage venture investment funds with realized earned returns on**
 17 **investments that exceed \$10,000,000.00 as of June 30 of that year,**
 18 **the board of the Michigan early stage venture investment**
 19 **corporation shall distribute not less than 75% of the earned**
 20 **returns as of June 30 of that year to the state treasurer for**
 21 **deposit in the 21st century jobs trust fund established in section**
 22 **7 of the Michigan trust fund act, 2000 PA 489, MCL 12.257.**

23 Enacting section 1. This amendatory act does not take effect
 24 unless all of the following bills of the 102nd Legislature are
 25 enacted into law:

26 (a) Senate Bill No. ____ or House Bill No. 5653 (request no.
 27 05568'24).

28 (b) Senate Bill No. ____ or House Bill No. 5651 (request no.
 29 05570'24).

1 (c) Senate Bill No. ____ or House Bill No. ____ (request no.
2 05571'24).