

Legislative Analysis



EARLY STAGE VENTURE INVESTMENT

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Senate Bill 525

Sponsor: Sen. Michael D. Bishop

House Committee: Commerce

Senate Committee: Commerce and Labor

Complete to 6-13-05

A SUMMARY OF SENATE BILL 525 AS PASSED BY THE SENATE 5-25-05

The nonprofit Michigan Early Stage Venture Investment Corporation was created by Public Act 296 of 2003 and charged with creating an investment fund, establishing an investment plan, soliciting contributions to the fund, and investing in venture capital companies in Michigan.

The act required the corporation to obtain a favorable determination as a nonprofit corporation exempt from taxation from the Internal Revenue Service (IRS), by September 1, 2004. The corporation received its tax-exempt determination but not by the date specified. Senate Bill 525 would change the deadline to August 1, 2005.

The bill also would allow the corporation to employ "fund managers," rather than "a fund manager," and would delete a requirement that the corporation employ only one fund manager at any one time.

MCL 125.2235 & 125.2245

FISCAL IMPACT:

The bill should not have a significant fiscal impact on state or local government.

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Fiscal Analyst: Jim Stansell

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