

# Legislative Analysis

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## DEFENSE CONTRACT COORDINATION CENTER

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**Senate Bill 727 (Substitute H-1)**

**Sponsor: Sen. Valde Garcia**

**House Committee: Commerce**

**Senate Committee: Economic Development, Small Business and Regulatory Reform**

**Complete to 4-25-06**

## A SUMMARY OF SENATE BILL 727 (H-1) AS REPORTED FROM HOUSE COMMITTEE

The bill would create a new act to establish the Defense Contract Coordination Center in the Michigan Strategic Fund. The Center would report directly to the MSF or, if so designated by the MSF Board, to the president of the Michigan Economic Development Corporation (MEDC).

The Center would be required to do the following:

- \*\* Focus solely on job creation and job retention from business opportunities associated with the Procurement Technical Assistance Center (PTAC) or with defense, homeland security, and other government contracts.
- \*\* Coordinate with procurement technical assistance centers in the state to maximize business opportunities for businesses located in Michigan.
- \*\* Give priority to bringing business opportunities to counties hardest hit by manufacturing layoffs.
- \*\* Set a performance objective of increasing defense and homeland security contracts awarded to businesses located in Michigan by 25 percent.
- \*\* Provide resources needed to meet the performance objective within one year.

The new act would be repealed five years after the date it is enacted.

## FISCAL IMPACT:

This bill creates the Defense Contract Coordination Center for which \$10 million was appropriated for FY 2006 in Public Act 225 of 2005. PA 225 was the central bill in the package of tobacco securitization legislation enacted to create the 21st Century Jobs Fund.

## POSITIONS:

The Michigan Economic Development Corporation supports the bill. (4-25-06)

BioPort Corporation has indicated support for the bill. (4-25-06)

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