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**BILL ANALYSIS**

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Senate Bill 906 (as introduced 11-29-05)
Sponsor: Senator Valde Garcia
Committee: Commerce and Labor

Date Completed: 11-29-05

CONTENT

The bill would amend Public Act 2 of 1921, which created the State Administrative Board, to specify that the Board would have the powers granted and would have to perform the duties imposed under Chapter 8a of the Michigan Strategic Fund Act. The bill would require the Board to hire, support, and supervise the chief compliance officer described in Chapter 8a and review all reports submitted to it by the chief compliance officer.

Proposed MCL 17.2b

BACKGROUND

Public Acts 213, 215, and 225 of 2005 added Chapter 8a to the Michigan Strategic Fund (MSF) Act. Those measures were part of a package of legislation that provides for the securitization of a portion of Michigan's tobacco settlement revenue, requires the proceeds of the securitization to be deposited into a newly created 21st Century Jobs Trust Fund, and allocates the proceeds for investment in private companies, grants, and loans for competitive edge technology and loan enhancement programs.

Chapter 8a creates the Office of Chief Compliance Officer within the MSF and charges the State Administrative Board with appointing the chief compliance officer. The Office of the Chief Compliance Officer must assist the MSF board with the creation, implementation, monitoring, and enforcement of policies and procedures to prevent illegal, unethical, or improper conduct on the part of various State officials.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on the State or local units of government. The Office of the Chief Compliance Officer, and funding for administrative costs, is provided for in Public Act 225 of 2005.

Fiscal Analyst: Bill Bowerman

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