

SUBSTITUTE FOR
HOUSE BILL NO. 5780

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 11 (MCL 125.2011), as amended by 1987 PA 278.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) Within 90 days after assistance for a project is
2 requested from the fund by the filing of a written application with
3 the board, the board shall approve or disapprove the request for
4 assistance. Upon written request by an applicant, the board may
5 reconsider its denial of an application for assistance under this
6 section or may waive the 90-day deadline for approving or
7 disapproving an application.

8 (2) BEGINNING JULY 1, 2008, THE BOARD SHALL NOT APPROVE A
9 REQUEST FOR ASSISTANCE FOR A PROJECT OR AN ECONOMIC DEVELOPMENT

House Bill No. 5780 (H-1) as amended April 9, 2008

1 PROJECT, OR A LOAN OR GRANT UNDER CHAPTER 8A, UNLESS THE APPLICANT
2 STATES, IN WRITING, THAT THE APPLICANT WILL NOT KNOWINGLY HIRE OR
3 CONTRACT WITH ANY BUSINESS ENTITY THAT KNOWINGLY HIRES AN
4 INDIVIDUAL WHO IS NOT AUTHORIZED UNDER FEDERAL LAW TO WORK IN THE
5 UNITED STATES[.

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9 (3) BEGINNING JULY 1, 2008, THE BOARD SHALL NOT APPROVE A
10 REQUEST FOR ASSISTANCE FOR A PROJECT OR AN ECONOMIC DEVELOPMENT
11 PROJECT, OR A LOAN OR GRANT UNDER CHAPTER 8A, UNLESS THE APPLICANT
12 STATES, IN WRITING, THAT THE APPLICANT WILL DO ALL OF THE
13 FOLLOWING:

14 (A) HIRE ONLY RESIDENTS OF THIS STATE TO WORK ON PROJECTS,
15 ECONOMIC DEVELOPMENT PROJECTS, OR FACILITIES THAT ARE CONSTRUCTED
16 WITH A LOAN OR GRANT PROVIDED UNDER CHAPTER 8A UNLESS THE BOARD
17 DETERMINES THAT THE PROJECT, ECONOMIC DEVELOPMENT PROJECT, OR
18 FACILITIES THAT ARE CONSTRUCTED WITH A LOAN OR GRANT PROVIDED UNDER
19 CHAPTER 8A CANNOT BE CONSTRUCTED BY USING ONLY RESIDENTS OF THIS
20 STATE FOR 1 OR MORE OF THE FOLLOWING:

21 (i) TO THE EXTENT NECESSARY TO COMPLY WITH FEDERAL LAW OR
22 REGULATION CONCERNING THE USE OF FEDERAL FUNDS.

23 (ii) TO THE EXTENT THAT KEY MANAGEMENT PERSONNEL OR INDIVIDUALS
24 WITH SPECIAL SKILLS, WHO ARE NOT RESIDENTS OF THIS STATE, ARE
25 NEEDED.

26 (B) CONTRACT WITH BUSINESSES THAT AGREE TO HIRE ONLY RESIDENTS
27 OF THIS STATE TO WORK ON PROJECTS, ECONOMIC DEVELOPMENT PROJECTS,

1 OR FACILITIES THAT ARE CONSTRUCTED WITH A LOAN OR GRANT PROVIDED
2 UNDER CHAPTER 8A UNLESS THE BOARD DETERMINES THAT THE PROJECT,
3 ECONOMIC DEVELOPMENT PROJECT, OR FACILITIES THAT ARE CONSTRUCTED
4 WITH A LOAN OR GRANT PROVIDED UNDER CHAPTER 8A CANNOT BE
5 CONSTRUCTED BY USING ONLY RESIDENTS OF THIS STATE FOR 1 OR MORE OF
6 THE FOLLOWING:

7 (i) TO THE EXTENT NECESSARY TO COMPLY WITH FEDERAL LAW OR
8 REGULATION CONCERNING THE USE OF FEDERAL FUNDS.

9 (ii) TO THE EXTENT THAT KEY MANAGEMENT PERSONNEL OR INDIVIDUALS
10 WITH SPECIAL SKILLS, WHO ARE NOT RESIDENTS OF THIS STATE, ARE
11 NEEDED.

12 (4) BEGINNING JULY 1, 2008, THE WRITTEN AGREEMENT DESCRIBED IN
13 SUBSECTIONS (2) AND (3) SHALL ALSO CONTAIN A REMEDY PROVISION THAT
14 PROVIDES FOR ALL OF, BUT NOT LIMITED TO, THE FOLLOWING:

15 (A) A REQUIREMENT THAT THE APPLICANT'S FINANCING, LOAN, OR
16 GRANT IS REVOKED UNDER THIS ACT IF THE APPLICANT IS DETERMINED TO
17 BE IN VIOLATION OF THE PROVISIONS OF THIS SUBDIVISION, AS
18 DETERMINED BY THE BOARD.

19 (B) A REQUIREMENT THAT THE APPLICANT MAY BE REQUIRED TO REPAY
20 SOME OR ALL OF THE BENEFITS RECEIVED UNDER THIS ACT IF THE
21 APPLICANT IS DETERMINED TO BE IN VIOLATION OF THE PROVISIONS OF
22 THIS SUBDIVISION, AS DETERMINED BY THE BOARD.

23 (5) NOT LATER THAN FEBRUARY 1 EACH YEAR, THE BOARD SHALL
24 REPORT TO EACH HOUSE OF THE LEGISLATURE ON THE ACTIVITIES FOR THE
25 IMMEDIATELY PRECEDING FISCAL YEAR. THE REPORT SHALL CONTAIN ALL OF
26 THE FOLLOWING:

27 (A) THE NUMBER OF MICHIGAN RESIDENTS EMPLOYED IN NEW JOBS FROM

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1 PROJECTS, ECONOMIC DEVELOPMENT PROJECTS, OR FACILITIES CONSTRUCTED
2 WITH A LOAN OR GRANT PROVIDED UNDER CHAPTER 8A IN THE IMMEDIATELY
3 PRECEDING YEAR.

4 (B) THE NUMBER OF MICHIGAN RESIDENTS EMPLOYED IN NEW JOBS AND
5 THE NUMBER OF NEW JOBS CREATED FROM OTHER ECONOMIC DEVELOPMENT
6 INITIATIVES THAT ARE REQUIRED TO BE REPORTED TO THE BOARD.

7 (C) THE SPECIFIC REASONS FOR EACH DETERMINATION OF EXEMPTION
8 FROM THE PROVISIONS OF SUBSECTION (3) (A) OR (B) MADE BY THE BOARD
9 AND THE NUMBER OF JOBS RELATED TO EACH DETERMINATION.

10 (D) ANY OTHER INFORMATION THE BOARD DETERMINES NECESSARY.
[Enacting section 1. This amendatory act does not take effect
unless House Bill No. 4480 of the 94th Legislature is enacted into law.]