

SUBSTITUTE FOR  
SENATE BILL NO. 1223

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
(MCL 125.2001 to 125.2094) by adding chapter 8B.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 8B

SEC. 89. (1) THE LEGISLATURE FINDS AND DECLARES THAT THE  
ACTIVITIES AUTHORIZED UNDER THIS CHAPTER TO PROMOTE THIS STATE AND  
THE CREATION OF JOBS IN THIS STATE ARE A PUBLIC PURPOSE AND OF  
PARAMOUNT CONCERN IN THE INTEREST OF THE HEALTH, SAFETY, AND  
GENERAL WELFARE OF THE CITIZENS OF THIS STATE. IT IS THE INTENT OF  
THE LEGISLATURE THAT THE ECONOMIC BENEFITS AND THE CREATION OF JOBS  
RESULTING FROM THIS CHAPTER SHALL ACCRUE SUBSTANTIALLY WITHIN THIS  
STATE.

(2) ACTIVITIES AUTHORIZED UNDER THIS CHAPTER SHALL NOT BE

1 CONSIDERED A PROJECT, ECONOMIC DEVELOPMENT PROJECT, OR A PRODUCT  
2 ASSISTED BY THE FUND FOR PURPOSES OF CHAPTER 1 OR 2.

3 SEC. 89A. (1) THE BOARD SHALL ESTABLISH A MICHIGAN PROMOTION  
4 PROGRAM TO PROMOTE TOURISM IN MICHIGAN AND PAY BUSINESS DEVELOPMENT  
5 AND MARKETING COSTS TO PROMOTE BUSINESS DEVELOPMENT IN MICHIGAN.  
6 TOURISM PROMOTION SHALL INCLUDE, BUT IS NOT LIMITED TO, CULTURAL,  
7 VACATION, RECREATIONAL, LEISURE, HUNTING-RELATED, AND AGRICULTURE-  
8 RELATED TRAVEL ACROSS THIS STATE THAT INCLUDES ACTIVITIES THAT  
9 PROMOTE TOURISM IN ALL 4 SEASONS.

10 (2) THE FUNDING PROVIDED UNDER THIS CHAPTER FOR TOURISM  
11 PROMOTION IS INTENDED TO ENHANCE FUNDING BEYOND THAT INCLUDED IN  
12 THE ANNUAL APPROPRIATION FOR TRAVEL MICHIGAN TO ATTRACT ADDITIONAL  
13 TOURISM EXPENDITURES AND DEVELOPMENT OF THE TOURISM INDUSTRY IN  
14 THIS STATE.

15 (3) NOT MORE THAN 4% OF THE ANNUAL APPROPRIATION AS PROVIDED  
16 BY LAW FROM THE 21ST CENTURY JOBS TRUST FUND ESTABLISHED IN THE  
17 MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.251 TO 12.260, MAY BE  
18 USED FOR THE PURPOSE OF ADMINISTERING THE PROGRAM AUTHORIZED UNDER  
19 THIS CHAPTER.

20 SEC. 89B. (1) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008,  
21 THERE IS APPROPRIATED AND TRANSFERRED FROM THE 21ST CENTURY JOBS  
22 TRUST FUND TO THE FUND \$50,000,000.00 FOR CARRYING OUT THE PURPOSES  
23 OF THIS CHAPTER. NOT MORE THAN 1/4 OF THE TOTAL AMOUNT APPROPRIATED  
24 FROM THE NET PROCEEDS DESCRIBED IN SECTION 8(2) OF THE MICHIGAN  
25 TOBACCO SETTLEMENT FINANCE AUTHORITY ACT, 2005 PA 226, MCL 129.268,  
26 SHALL BE USED TO PROMOTE BUSINESS DEVELOPMENT IN THIS STATE.

27 (2) UPON REQUEST FROM THE BOARD, THE STATE TREASURER SHALL

1 TRANSFER APPROPRIATED FUNDS FROM THE 21ST CENTURY JOBS TRUST FUND  
2 ESTABLISHED UNDER SECTION 7(1)(B) OF THE MICHIGAN TRUST FUND ACT,  
3 2000 PA 489, MCL 12.257, IN THE AMOUNTS DESIGNATED BY THE BOARD AT  
4 THE TIME AND AS NECESSARY TO FUND DISBURSEMENTS REQUIRED FOR THE  
5 MICHIGAN PROMOTION PROGRAM.

6 (3) THE APPROPRIATION AUTHORIZED IN SUBSECTION (1) IS A WORK  
7 PROJECT APPROPRIATION AND ANY UNENCUMBERED OR UNALLOTTED FUNDS ARE  
8 CARRIED FORWARD INTO THE FOLLOWING FISCAL YEAR. THE FOLLOWING IS IN  
9 COMPLIANCE WITH SECTION 451A(1) OF THE MANAGEMENT AND BUDGET ACT,  
10 1984 PA 431, MCL 18.1451A:

11 (A) THE PURPOSE OF THE PROJECT IS TO PROVIDE ECONOMIC BENEFITS  
12 AND JOB CREATION WITHIN THIS STATE THROUGH THE PROMOTION OF  
13 TOURISM.

14 (B) THE WORK PROJECT WILL BE ACCOMPLISHED THROUGH THE USE OF  
15 INTERAGENCY AGREEMENTS, GRANTS, STATE EMPLOYEES, AND CONTRACTS.

16 (C) THE TOTAL ESTIMATED COMPLETION COST OF THE PROJECT IS  
17 \$50,000,000.00.

18 (D) THE EXPECTED COMPLETION DATE IS DECEMBER 31, 2010.

19 SEC. 89C. (1) THE FUND BOARD SHALL SELECT ALL VENDORS FOR ALL  
20 MICHIGAN PROMOTION PROGRAM EXPENDITURES UNDER THIS CHAPTER BY  
21 ISSUING A REQUEST FOR PROPOSAL. AT A MINIMUM, THE REQUEST FOR  
22 PROPOSAL SHALL REQUIRE THE RESPONDING ENTITIES TO DISCLOSE ANY  
23 CONFLICT OF INTEREST, DISCLOSE ANY CRIMINAL CONVICTIONS, DISCLOSE  
24 ANY INVESTIGATIONS BY THE INTERNAL REVENUE SERVICE OR ANY OTHER  
25 FEDERAL OR STATE TAXING BODY OR COURT, DISCLOSE ANY PERTINENT  
26 LITIGATION REGARDING THE CONDUCT OF THE ENTITY, AND MAINTAIN  
27 RECORDS AND EVIDENCE PERTAINING TO WORK PERFORMED FOR AT LEAST 5

1 YEARS. THE FUND BOARD SHALL ESTABLISH A STANDARD PROCESS TO  
2 EVALUATE PROPOSALS SUBMITTED AS A RESULT OF A REQUEST FOR PROPOSAL  
3 AND APPOINT A COMMITTEE TO REVIEW THE PROPOSALS. MEMBERS OF ANY  
4 COMMITTEE OR INDIVIDUALS WORKING ON BEHALF OF THE MICHIGAN  
5 STRATEGIC FUND, PAID OR UNPAID, SHALL HAVE NO CONFLICT OF INTEREST  
6 AS DETERMINED BY THE OFFICE OF THE CHIEF COMPLIANCE OFFICER  
7 ESTABLISHED IN SECTION 88I. THIS SUBSECTION DOES NOT APPLY TO A  
8 CONTRACT THAT WAS IN EXISTENCE ON MARCH 25, 2008 OR TO THE  
9 EXTENSION OF A CONTRACT IN WHICH THE RIGHT TO EXTEND WAS IN  
10 EXISTENCE ON OR BEFORE MARCH 25, 2008.

11 (2) NOT LESS THAN 75% OF THE FUNDS APPROPRIATED UNDER THIS  
12 CHAPTER SHALL BE TARGETED TO PERSONS OR ENTITIES OUTSIDE OF THIS  
13 STATE. NO FUNDS MAY BE USED FOR ANY MICHIGAN PROMOTION PROGRAM  
14 EFFORT THAT INCLUDES A REFERENCE TO OR THE IMAGE OR VOICE OF AN  
15 ELECTED OFFICIAL, APPOINTED STATE EMPLOYEE, STATE EMPLOYEE GOVERNED  
16 BY A SENIOR EXECUTIVE SERVICE LIMITED TERM EMPLOYMENT AGREEMENT, OR  
17 A CANDIDATE FOR ELECTIVE OFFICE, AND THAT IS TARGETED TO A MEDIA  
18 MARKET IN THIS STATE.

19 Enacting section 1. This amendatory act does not take effect  
20 unless all of the following bills of the 94th Legislature are  
21 enacted into law:

22 (a) Senate Bill No. 1224.

23 (b) Senate Bill No. 1225.