

# HOUSE BILL No. 6382

August 20, 2008, Introduced by Reps. Schuitmaker, Proos, Meekhof, Hildenbrand, DeRoche and Opsommer and referred to the Committee on Commerce.

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending section 88b (MCL 125.2088b), as amended by 2008 PA 175,  
and by adding section 88r.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 88b. (1) The fund shall create and operate programs  
2       authorized under this chapter. The fund board shall determine the  
3       annual allocation of money for programs authorized under this  
4       chapter and make authorized expenditures or investments from the  
5       investment fund of the 21st century jobs trust fund created in the  
6       Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, as  
7       authorized under this chapter for programs and activities  
8       authorized under this chapter.

1           (2) Money transferred or appropriated by law to the fund for  
2 the purposes of carrying out this chapter shall be expended or  
3 invested by the fund as authorized by law for the following  
4 purposes:

5           (a) 21st century investments.

6           (b) Grants and loans approved by the commercialization board  
7 under section 88k.

8           (c) Other programs or activities authorized under this  
9 chapter.

10          (3) Except for the appropriations described in section 88j(3)  
11 and as otherwise provided in ~~section~~ **SECTIONS 88q AND 88r**, the fund  
12 board shall not expend more than the following amounts each year  
13 from the 21st century jobs trust fund created in the Michigan trust  
14 fund act, 2000 PA 489, MCL 12.251 to 12.260, for the following  
15 purposes:

16          (a) 25% for the loan enhancement program.

17          (b) 40% for the private equity investment program, the venture  
18 capital investment program, and the mezzanine investment program  
19 combined.

20          (c) 70% for competitive edge technology grants and loans under  
21 section 88k. The commercialization board shall not authorize the  
22 expenditure of more than \$100,000,000.00 of the amount described in  
23 this subdivision for basic research over the life of the program.

24          (4) The commercialization board shall authorize the  
25 expenditure of not less than the following amounts described in  
26 subsection (3)(c) as follows:

27          (a) \$40,000,000.00 in the 2005-2006 fiscal year.

1 (b) \$50,000,000.00 in the 2006-2007 fiscal year.

2 (c) \$30,000,000.00 in the 2007-2008 fiscal year.

3 (d) \$25,000,000.00 in the 2008-2009 through the 2011-2012  
4 fiscal years.

5 (5) Not more than 4% of the annual appropriation as provided  
6 by law from the 21st century jobs trust fund created in the  
7 Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, may be  
8 used for the purposes of administering the programs and activities  
9 authorized under this chapter. However, the fund and the fund board  
10 shall not use more than 3% of the annual appropriation for  
11 administering the programs and activities authorized under this  
12 chapter unless the fund board by a 2/3 vote authorizes the  
13 additional 1% for administration.

14 (6) Not more than 5% of the annual appropriation as provided  
15 by law from the 21st century jobs trust fund created in the  
16 Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, may be  
17 used for business development and business marketing costs. Not  
18 less than 80% of the funds committed for business development and  
19 business marketing costs shall be targeted to persons or entities  
20 outside of this state. No funds may be used for any business  
21 development and business marketing effort that includes a reference  
22 to or the image or voice of an elected state officer or a candidate  
23 for elective state office and that is targeted to a media market in  
24 Michigan. The fund board shall select all vendors for all marketing  
25 expenditures under this chapter by issuing a request for proposal.  
26 At a minimum, the request for proposal shall require the responding  
27 entities to disclose any conflict of interest, disclose any

1 criminal convictions, disclose any investigations by the internal  
2 revenue service or any other federal or state taxing body or court,  
3 disclose any pertinent litigation regarding the conduct of the  
4 entity, and maintain records and evidence pertaining to work  
5 performed. The fund board shall establish a standard process to  
6 evaluate proposals submitted as a result of a request for proposal  
7 and appoint a committee to review the proposals. The fund or the  
8 fund board shall not appoint or designate any person paid or unpaid  
9 to a committee to review proposals if that person has a conflict of  
10 interest with any potential vendors as determined by the office of  
11 the chief compliance officer established in section 88i.

12 (7) The fund shall not use any money appropriated or  
13 transferred for purposes authorized under this chapter to acquire  
14 interests in or improve real property. The restriction under this  
15 subsection applies only to the fund and not to recipients of  
16 expenditures or investments under this chapter.

17 **SEC. 88R. (1) THE FUND SHALL CREATE AND OPERATE AN ALTERNATIVE**  
18 **ENERGY VEHICLE RESEARCH AWARD PROGRAM. THROUGH THE ALTERNATIVE**  
19 **ENERGY VEHICLE RESEARCH AWARD PROGRAM, THE FUND SHALL AWARD GRANTS**  
20 **TO MICHIGAN-BASED COMPANIES THAT SUCCEED IN INCREASING PRODUCTION**  
21 **AND SALE OF ALTERNATIVE ENERGY VEHICLES AT A REASONABLE PRICE TO**  
22 **THE CONSUMER. THE AMOUNT OF THE AWARDS GRANTED UNDER THIS SECTION**  
23 **SHALL NOT EXCEED \$25,000,000.00.**

24 (2) FOR THE 2008-2009 FISCAL YEAR, \$25,000,000.00 IS  
25 APPROPRIATED AND TRANSFERRED FROM THE 21ST CENTURY JOBS TRUST FUND  
26 TO THE FUND TO IMPLEMENT AND FUND THE GRANT AWARDS DESCRIBED IN  
27 THIS SECTION.

1           (3) AS USED IN THIS SECTION, "ALTERNATIVE ENERGY VEHICLE"  
2 MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE MICHIGAN NEXT ENERGY  
3 AUTHORITY ACT, 2002 PA 593, MCL 207.822.