

Legislative Analysis



21st CENTURY INVESTMENTS: DEFINITIONS

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House Bill 5808

Sponsor: Rep. Pam Byrnes

Committee: New Economy and Quality of Life

Complete to 2-22-10

A SUMMARY OF HOUSE BILL 5808 AS INTRODUCED 2-11-10

The bill would amend Chapter 8A of the Michigan Strategic Fund Act, which established the 21st Century Investments programs. Those programs allow the state to make a variety of investments to encourage economic development in order to create jobs, and they include investment programs with a special emphasis on competitive edge technologies.

House Bill 5808 amends Section 88a, which is the definitions section of Chapter 8A, in the following ways (with the changes noted in ***bolded italics***).

**** Under current law, the term "competitive edge technology" means one or more of the following: (1) life sciences technology; (2) advanced automotive, manufacturing, and materials technology; (3) homeland security and defense technology; and (4) alternative energy technology. The bill would revise the second category to read: advanced automotive, manufacturing, materials, and ***informational*** technology.**

**** The definition of the revised term "advanced automotive, manufacturing, materials, and informational technology" would include advanced computing or electronic device technology without restrictions. (Currently, those technologies appear to be included in investment programs only when they are related to other technologies already cited in the act.)**

**** Under current law, the term "21st century investments" means investments in one or more of the following: (1) commercial loan guarantees under a loan enhancement program operated by the Fund; (2) private equity investments under a private equity investment program operated by the Fund; (3) venture capital investments under a venture capital investment program operated by the Fund; and (4) mezzanine investments under a mezzanine investment program operated by the Fund. House Bill 5808 would retain these elements of the definition and add two more:**

- ***Convertible loans, equity investments, or warrants from the Jobs for Michigan Investment Fund recommended by the Strategic Economic Investment and Commercialization Board for approval by the Strategic Fund Board.***
- ***Investments in Michigan Business Development Corporations.***

MCL 125.2088a

FISCAL IMPACT:

House Bill 5808 would have an indeterminate, but likely negligible fiscal impact on state government.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.