

21st CENTURY INVESTMENTS: DEFINITIONS

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House Bill 5808 (Substitute H-1)

Sponsor: Rep. Pam Byrnes

Committee: New Economy and Quality of Life

Complete to 2-24-10

A SUMMARY OF HOUSE BILL 5808 AS REPORTED FROM COMMITTEE

Generally speaking, the bill would add **information technology** firms to the firms eligible for assistance as competitive edge technology enterprises under the state's 21st Century Investments programs.

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.)

MCL 125.2088a

BACKGROUND INFORMATION:

The aim of the bill is to expand the kind of "competitive edge technology" companies that can be recipients of funding through the 21st Century Investments programs so as to include firms engaged in information technology. Currently, information technology is only included if it is related to activities in the life sciences; advanced automotive, manufacturing, and materials technology; homeland security and defense; and alternative energy. This leaves out many firms engaged in IT enterprises outside those technology areas (such as firms engaged in software development and video gaming) that also need help in finding capital to build and sustain their businesses and create jobs in the state.

Essentially, the bill adds a fifth category of eligible recipient for 21st Century Investment assistance.

FISCAL IMPACT:

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

POSITIONS:

The Michigan Economic Development Corporation (MEDC) testified in support of the bill. (2-24-10)

Among those testifying in support of the bill were representatives from Luna Tech Designs; My Interactive Vision, LLC; the Whole Brain Group; and SRT Solutions. (2-24-10)

A representative from Automation Alley indicated support for the bill. (2-24-10)

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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.