

**SUBSTITUTE FOR
HOUSE BILL NO. 5018**

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
(MCL 125.2001 to 125.2094) by adding chapter 3A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

CHAPTER 3A

2

SEC. 38. (1) THE LEGISLATURE FINDS AND DECLARES THAT THE

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ACTIVITIES AUTHORIZED UNDER THIS CHAPTER TO PROMOTE THIS STATE AND

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THE CREATION OF JOBS IN THIS STATE ARE A PUBLIC PURPOSE AND OF

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PARAMOUNT CONCERN IN THE INTEREST OF THE HEALTH, SAFETY, AND

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GENERAL WELFARE OF THE CITIZENS OF THIS STATE. IT IS THE INTENT OF

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THE LEGISLATURE THAT THE ECONOMIC BENEFITS AND CREATION OF JOBS

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RESULTING FROM THIS CHAPTER SHALL ACCRUE SUBSTANTIALLY WITHIN THIS

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STATE.

House Bill No. 5018 (H-2) as amended December 17, 2009

1 (2) ACTIVITIES AUTHORIZED UNDER THIS CHAPTER SHALL NOT BE
2 CONSIDERED A PROJECT, ECONOMIC DEVELOPMENT PROJECT, OR A PRODUCT
3 ASSISTED BY THE FUND FOR PURPOSES OF CHAPTER 1 OR 2.

4 SEC. 39. (1) THE MICHIGAN PROMOTION FUND IS CREATED AS A
5 SEPARATE FUND IN THE STATE TREASURY AND SHALL BE ADMINISTERED BY
6 THE FUND.

7 (2) THE MICHIGAN PROMOTION FUND SHALL BE USED TO PROMOTE
8 ECONOMIC DEVELOPMENT AND JOB CREATION IN THIS STATE THROUGH THE
9 PROMOTION OF TOURISM AND BUSINESS DEVELOPMENT.

10 (3) SUBJECT TO SUBSECTION (9), THE STATE TREASURER SHALL
11 CREDIT TO THE MICHIGAN PROMOTION FUND ALL AMOUNTS DESIGNATED FOR
12 THE MICHIGAN PROMOTION FUND BY THIS CHAPTER, [

13] SECTION 21 OF THE USE TAX ACT, 1937 PA 94, MCL
14 205.111, AND SECTION 25 OF THE GENERAL SALES TAX ACT, 1933 PA 167,
15 MCL 205.75.

16 (4) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF
17 MICHIGAN PROMOTION FUND MONEY IN THE SAME MANNER AS ALL OTHER FUNDS
18 ARE INVESTED. THE STATE TREASURER SHALL CREDIT TO THE MICHIGAN
19 PROMOTION FUND THE INTEREST AND EARNINGS FROM THE FUND.

20 (5) MONEY DEPOSITED, FUNDS GRANTED, OR FUNDS RECEIVED AS GIFTS
21 OR DONATIONS TO THE MICHIGAN PROMOTION FUND SHALL BE AVAILABLE FOR
22 DISBURSEMENT WHEN DEPOSITED. THE MICHIGAN PROMOTION FUND IS NOT
23 REQUIRED TO MAINTAIN A MINIMUM BALANCE. FUNDS MAY BE DISBURSED FROM
24 THE MICHIGAN PROMOTION FUND AT ANY TIME UPON REQUEST BY THE FUND.
25 NOT MORE THAN 25% OF AMOUNTS CREDITED TO THE MICHIGAN PROMOTION
26 FUND SHALL BE USED TO PROMOTE BUSINESS DEVELOPMENT.

27 (6) MONEY IN THE MICHIGAN PROMOTION FUND AT THE CLOSE OF THE

House Bill No. 5018 (H-2) as amended December 17, 2009

1 STATE FISCAL YEAR SHALL REMAIN IN THE MICHIGAN PROMOTION FUND AND
2 SHALL NOT LAPSE TO THE STATE GENERAL FUND.

3 (7) THE POWERS AND DUTIES OF THE FUND UNDER THIS CHAPTER SHALL
4 BE EXERCISED AND PERFORMED BY THE MICHIGAN ECONOMIC DEVELOPMENT
5 CORPORATION AS A JOINT EXERCISE OF POWER AUTHORIZED UNDER THE URBAN
6 COOPERATION ACT OF 1967, 1967 (EX SESS) PA 7, MCL 124.501 TO
7 124.512, PURSUANT TO THE CONTRACTUAL INTERLOCAL AGREEMENT,
8 EFFECTIVE APRIL 5, 1999, BETWEEN LOCAL PARTICIPATING ECONOMIC
9 DEVELOPMENT CORPORATIONS FORMED UNDER THE ECONOMIC DEVELOPMENT
10 CORPORATIONS ACT, 1974 PA 338, MCL 125.1601 TO 125.1636, AND THE
11 FUND.

12 (8) IF THE BALANCE OF THE MICHIGAN PROMOTION FUND AT THE END
13 OF ANY FISCAL YEAR EXCEEDS \$40,000,000.00, ADJUSTED ANNUALLY FOR
14 THE RATE OF INFLATION, BEGINNING WITH THE FIRST FISCAL YEAR AFTER
15 THAT BALANCE REACHES \$40,000,000.00, ADDITIONAL REVENUE RECEIVED BY
16 THE FUND UNDER THIS CHAPTER FOR THE SUCCEEDING FISCAL YEAR SHALL BE [USED
17 FIRST TO FULLY FUND STATUTORY REVENUE SHARING UNDER SECTIONS 11 AND 13
18 OF THE GLENN STEIL STATE REVENUE SHARING ACT OF 1971, 1971 PA 140, MCL
19 141.911 AND 141.913, AND ANY REMAINING FUNDS SHALL BE]
20 DEPOSITED IN THE GENERAL FUND. ANY AMOUNT IN THE MICHIGAN PROMOTION
21 FUND AT THE END OF A FISCAL YEAR THAT IS EARMARKED FOR DEBT SERVICE
22 SHALL NOT BE INCLUDED IN DETERMINING THE BALANCE OF THE MICHIGAN
23 PROMOTION FUND AT THE END OF A FISCAL YEAR.

24 (9) BEGINNING JANUARY 1, 2013 AND EVERY 3 YEARS THEREAFTER,
25 THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL COMMISSION A
26 RETURN ON INVESTMENT STUDY WITH AN INDEPENDENT PRIVATE ENTITY FOR
27 THE 3 IMMEDIATELY PRECEDING CALENDAR YEARS. THE RETURN ON
INVESTMENT STUDY SHALL BE REPORTED TO EACH HOUSE OF THE LEGISLATURE
AND TO THE GOVERNOR NOT LATER THAN JULY 1 OF THAT YEAR. IF THE
RETURN ON INVESTMENT STUDY IS NOT REPORTED TO EACH HOUSE OF THE

1 LEGISLATURE AND TO THE GOVERNOR ON OR BEFORE JULY 1 OR THE RETURN
2 ON INVESTMENT STUDY SHOWS THAT THE FUNDS DISBURSED UNDER THE
3 MICHIGAN PROMOTION FUND IN THOSE 3 YEARS HAVE A RATIO OF RETURN OF
4 INVESTMENT OF LESS THAN 1 FOR 1, THEN BEGINNING JANUARY 1 OF THE
5 IMMEDIATELY SUCCEEDING YEAR THE FUND SHALL NOT DISTRIBUTE ANY OF
6 THE AMOUNTS DESCRIBED IN SUBSECTION (3) TO THE MICHIGAN PROMOTION
7 FUND.

8 (10) THE MICHIGAN PROMOTION FUND MAY BORROW MONEY AND ISSUE
9 NOTES TO PROVIDE SUFFICIENT FUNDS FOR ACHIEVING THE MICHIGAN
10 PROMOTION FUND'S PURPOSE AND OBJECTIVES, INCLUDING, BUT NOT LIMITED
11 TO, AMOUNTS NECESSARY TO PAY THE COSTS FOR PROMOTING ECONOMIC
12 DEVELOPMENT AND JOB CREATION IN THIS STATE THROUGH THE PROMOTION OF
13 TOURISM AND BUSINESS DEVELOPMENT; FOR ALL OTHER EXPENDITURES OF THE
14 MICHIGAN PROMOTION FUND INCIDENT TO AND NECESSARY OR CONVENIENT TO
15 CARRY OUT THE MICHIGAN PROMOTION FUND'S PURPOSES, OBJECTIVES, AND
16 POWERS; AND FOR ANY COMBINATION OF THE THESE.

17 (11) THE MICHIGAN PROMOTION FUND MAY BORROW MONEY AND ISSUE
18 NOTES AS LONG AS THE AMOUNT IN THE MICHIGAN PROMOTION FUND AT THE
19 END OF ANY FISCAL YEAR DOES NOT EXCEED THE ADJUSTED BALANCE OF THE
20 FUND EXCLUDING ANY AMOUNTS EARMARKED FOR DEBT SERVICE AS PROVIDED
21 IN SUBSECTION (8).

22 (12) THE MICHIGAN PROMOTION FUND SHALL HAVE THE SAME BORROWING
23 POWERS AS THE MICHIGAN STRATEGIC FUND AS PRESCRIBED BY THIS ACT.

24 Enacting section 1. This amendatory act does not take effect
25 unless all of the following bills of the 95th Legislature are
26 enacted into law:

27 (a) House Bill No. 5088.

1 (b) House Bill No. 5089.