

# SENATE BILL No. 509

April 30, 2009, Introduced by Senators ALLEN, BROWN, BIRKHOLZ, KUIPERS and JELINEK and referred to the Committee on Commerce and Tourism.

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending sections 29a and 88j (MCL 125.2029a and 125.2088j),  
section 29a as added by 2008 PA 75 and section 88j as added by 2005  
PA 225.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1       Sec. 29a. (1) The Michigan film office is created in the fund.  
2       ~~The office shall be the successor to any authority, powers, duties,~~  
3       ~~functions, or responsibilities of the Michigan film office under~~  
4       ~~section 21 of the history, arts, and libraries act, 2001 PA 63, MCL~~  
5       ~~399.721.~~  
6       (2) The office may do all of the following:

1 (a) Promote and market locations, talent, crews, facilities,  
2 and technical production and other services related to film,  
3 digital media, and television production in this state.

4 (b) Provide to interested persons descriptive and pertinent  
5 information on locations, talent, crews, facilities, and technical  
6 production and other services related to film, digital media, and  
7 television production in this state.

8 (c) Provide technical assistance to the film, television, and  
9 digital media industry in locating and securing the use of  
10 locations, talent, crews, facilities, and services in this state.

11 (d) Encourage community and Michigan film, digital media, and  
12 television production industry participation in, and coordination  
13 with, state and local efforts to attract film, digital media, and  
14 television production in this state.

15 (e) Serve as this state's chief liaison with the film, digital  
16 media, and television production industry and with other  
17 governmental units and agencies for the purpose of promoting,  
18 encouraging, and facilitating film, digital media, and television  
19 production in this state.

20 (f) Explain the benefits and advantages of producing films,  
21 digital media, and television productions in this state.

22 (g) Assist film, digital media, and television producers with  
23 securing location authorization and other appropriate services  
24 connected with film, digital media, and television production in  
25 this state.

26 (h) Scout potential film locations for national and  
27 international film, digital media, and television prospects.

1 (i) Escort film, digital media, and television producers on  
2 location scouting trips.

3 (j) Serve as a liaison between film, digital media, and  
4 television producers, state agencies, local agencies, federal  
5 agencies, community organizations and leaders, and the film,  
6 digital media, and television industry in this state.

7 (k) Assist film, digital media, and television producers in  
8 securing permits to film at specific locations in this state and in  
9 obtaining needed services related to the production of a film,  
10 digital media, or a television program.

11 (l) Represent this state at film, digital media, and television  
12 industry trade shows and film festivals.

13 (m) Sponsor workshops or conferences on topics relating to  
14 filmmaking, including, but not limited to, screenwriting, film  
15 financing, and the preparation of communities to attract and assist  
16 film, digital media, and television productions in this state.

17 (n) Encourage cooperation between local, state, and federal  
18 government agencies and local film offices in the location and  
19 production of films, digital media, and television programming in  
20 this state.

21 (o) Coordinate activities with local film offices.

22 (p) Facilitate cooperation from state departments and  
23 agencies, local governments, local film offices, federal agencies,  
24 and private sector entities in the location and production of  
25 films, digital media, and television programming in this state.

26 (q) Prepare, maintain, and distribute a directory of persons,  
27 firms, and governmental agencies available to assist in the

1 production of films, digital media, and television programming in  
2 this state.

3 (r) Prepare, maintain, and distribute a digital library  
4 depicting the variety and extent of the locations within this state  
5 for film, digital media, and television productions.

6 (s) Prepare and distribute appropriate promotional and  
7 informational materials that do all of the following:

8 (i) Describe desirable locations in this state for film,  
9 digital media, and television production.

10 (ii) Explain the benefits and advantages of producing films,  
11 digital media, and television productions in this state.

12 (iii) Detail services and assistance available from state  
13 government, from local film offices, and from the film, digital  
14 media, and television industry in this state.

15 (t) Solicit and accept gifts, grants, labor, loans, and other  
16 aid from any person, government, or entity.

17 (u) Employ technical experts, other officers, agents, or  
18 employees, permanent or temporary, paid from the funds of the  
19 office. The office shall determine the qualifications, duties, and  
20 compensation of those the office employs.

21 (v) Contract for goods and services and engage personnel as  
22 necessary to perform the duties of the office under this chapter.

23 (w) Study, develop, and prepare reports or plans the office  
24 considers necessary to assist the office in the exercise of its  
25 powers under this chapter and to monitor and evaluate progress  
26 under this chapter.

27 (x) Exercise the duties and responsibilities vested in the

1 office under this chapter and all of the following:

2 (i) Section 88d.

3 (ii) Section 88j(3)(e).

4 (iii) Section 4cc of the general sales tax act, 1933 PA 167, MCL  
5 205.54cc.

6 (iv) Sections 455 to 459 of the Michigan business tax act, 2007  
7 PA 36, MCL 208.1455 to 208.1459.

8 (y) All other things necessary or convenient to achieve the  
9 objectives and purposes of the office, this chapter, or other laws  
10 that relate to the purposes and responsibilities of the office.

11 (3) The enumeration of a power in this chapter shall not be  
12 construed as a limitation upon the general powers of the office.  
13 The powers granted under this chapter are in addition to those  
14 powers granted by any other law.

15 (4) The commissioner and the president of the fund shall  
16 cooperate in administering the budget, procurement, and related  
17 management functions of the office. The fund may provide the office  
18 with staff support and other services to assist the office in  
19 performing the functions and duties of the office.

20 (5) State departments, agencies, boards, commissions, and  
21 officers and local film offices shall cooperate with the office in  
22 the performance of the office's duties under this chapter.

23 Sec. 88j. (1) Upon request from the fund board, the state  
24 treasurer shall transfer appropriated funds from the 21st century  
25 jobs trust fund to the fund in the amounts designated by the fund  
26 board at the time and as necessary to fund disbursements or  
27 reserves required for programs or activities authorized under this

chapter or to fund investments authorized by the fund board from the investment fund. Funds appropriated or transferred to the fund shall not be transferred to another governmental entity or a separate legal entity and public body corporate established under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, except as authorized under this chapter.

(2) For the fiscal year ending September 30, 2006, there is appropriated and transferred from the 21st century jobs trust fund to the fund \$400,000,000.00 for the purposes of carrying out the purposes of this chapter.

(3) From the funds appropriated and transferred in subsection (2), the fund shall make the following commitments, dispersible as provided in subsection (1):

(a) \$26,000,000.00 as a grant to the Michigan forest finance authority for purposes under part 505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.50501 to 324.50522. The money shall be spent only as provided by the Michigan forest finance authority.

(b) \$10,000,000.00, up to 1/2 in loans, to support the development and creation of a defense contract coordination center program to assist Michigan companies in securing more federal defense and homeland security procurement contracts. This program shall include, but is not limited to, providing low-interest rate loans to support the expansion of manufacturing operations in order to fulfill federal procurement contracts. The loan repayments shall return to the investment fund.

(c) \$4,000,000.00 as follows:

1           (i) \$3,000,000.00 for a private research institute that has  
2 received a specific federal appropriation prior to 2005 for the  
3 creation of a good manufacturing facility. The facility shall be  
4 used for the production of drugs approved for use in clinical  
5 trials, as approved by the United States food and drug  
6 administration, and shall work to market the core technology  
7 alliance for the purposes of commercialization and providing access  
8 to advanced technologies to researchers affiliated with  
9 universities, private research institutes, and biotech and  
10 pharmaceutical firms.

11           (d) \$6,000,000.00 for an automotive technology business  
12 accelerator to provide for the research, development, and  
13 commercialization of innovative technologies and products. The  
14 funds shall be used to support international business development,  
15 encourage development of competitive edge technologies through the  
16 creation of early stage seed funds, and support the outreach and  
17 growth of technology based businesses and professionals.

18           (e) \$2,000,000.00 for the Michigan film office to promote the  
19 filming of motion pictures in this state. No funds may be used to  
20 promote the filming of a motion picture that depicts obscene matter  
21 or an obscene performance. As used in this subdivision, "obscene  
22 matter or an obscene performance" means obscene material, the  
23 dissemination of which is a violation of 1984 PA 343, MCL 752.361  
24 to 752.374. The Michigan film office created under section 21 of  
25 ~~the history, arts, and libraries act, 2001 PA 63, MCL 399.721, 29A~~  
26 shall use the funds in the following manner:

27           (i) To hire an independent firm to conduct a baseline study

1 that will accurately demonstrate Michigan's status within the film  
2 industry and include recommendations of necessary improvements for  
3 Michigan to attract motion pictures.

4 (ii) To market and promote Michigan as a premiere location for  
5 filming motion pictures, commercials, and documentaries. Marketing  
6 and promoting include, but are not limited to, website development,  
7 promotional and research expenses, event and festival sponsorship,  
8 and advertising.

9 (iii) Assist in workforce development within the film industry  
10 by supporting on-the-job training of qualified crew members. Job  
11 training of film and media technicians includes, but is not limited  
12 to, technical training, practical training, and internship  
13 opportunities.

14 (f) \$2,000,000.00 to implement the transfer of competitive  
15 edge technology research from institutions of higher education to  
16 the private sector as provided in this chapter.

17 (g) \$15,000,000.00 for a Michigan promotion program to enhance  
18 funding beyond that included in the annual appropriation for travel  
19 Michigan to attract additional tourism expenditures in this state.  
20 No funds may be used for any tourism marketing effort that includes  
21 the image of an elected state officer or a candidate for elective  
22 state office that is targeted to a media market in Michigan.

23 (h) \$10,000,000.00 to the agricultural development fund  
24 created in section 2 of the Julian-Stille value-added act, 2000 PA  
25 322, MCL 285.302, for grants and loans. The money shall not be  
26 spent until after April 1, 2006. As used in this subdivision,  
27 "specialty crop" means any agricultural crop, except wheat, feed



1 grains, oilseeds, cotton, rice, peanuts, and tobacco.

2 (i) \$3,500,000.00 to implement the capital access program.

3 (j) \$90,000,000.00 for life sciences technology as provided in  
4 this chapter.

5 (4) \$16,000,000.00 of the appropriation made in subsection (2)  
6 may be expended for administrative costs related to the  
7 administration of programs or activities authorized under this  
8 chapter. However, the fund and the fund board shall not expend more  
9 than \$12,000,000.00 for administration of programs or activities  
10 authorized under this chapter unless the fund board by a 2/3 vote  
11 authorizes the additional \$4,000,000.00 for administration.

12 (5) \$20,000,000.00 of the appropriation made in subsection (2)  
13 may be expended for business development and business marketing  
14 costs. Not less than 80% of the funds committed for business  
15 development and business marketing costs shall be targeted to  
16 persons or entities outside of this state. No funds shall be used  
17 for any business development and business marketing effort that  
18 includes a reference to or the image or voice of an elected state  
19 officer or a candidate for elective state office and that is  
20 targeted to a media market in this state. The fund board shall  
21 select all vendors for all marketing expenditures under this  
22 chapter by issuing a request for proposal. At a minimum, the  
23 request for proposal shall require the responding entities to  
24 disclose any conflict of interest, disclose any criminal  
25 convictions, disclose any investigations by the internal revenue  
26 service or any other federal or state taxing body or court,  
27 disclose any pertinent litigation regarding the conduct of the

1 entity, and maintain records and evidence pertaining to work  
2 performed. The fund board shall establish a standard process to  
3 evaluate proposals submitted as a result of a request for proposal  
4 and appoint a committee to review the proposals.

5 (6) Following the disbursements described in subsections (3),  
6 (4), and (5), the remaining money shall be allocated pursuant to  
7 section 88b(1).

8 (7) The appropriation authorized in subsection (2) is a work  
9 project appropriation and any unencumbered or unallotted funds are  
10 carried forward into the following fiscal year. The following is in  
11 compliance with section 451a(1) of the management and budget act,  
12 1984 PA 431, MCL 18.1451a:

13 (a) The purpose of the project is to provide substantial  
14 economic benefits and job creation within this state and to create  
15 incentives for the diversification of the economy of this state  
16 through 21st century investments, grants and loans approved by the  
17 commercialization board under section 88k, and other programs or  
18 activities authorized under this chapter.

19 (b) The work project will be accomplished through the use of  
20 interagency agreements, grants, loans, investments, state  
21 employees, and contracts.

22 (c) The total estimated completion cost of the work project is  
23 \$400,000,000.00.

24 Enacting section 1. This amendatory act does not take effect  
25 unless Senate Bill No. 503

26 of the 95th Legislature is enacted into law.