

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4195**

A bill to amend 2003 PA 296, entitled  
"Michigan early stage venture investment act of 2003,"  
by amending sections 7, 9, 11, 15, 17, 19, 21, 23, and 27 (MCL  
125.2237, 125.2239, 125.2241, 125.2245, 125.2247, 125.2249,  
125.2251, 125.2253, and 125.2257), section 15 as amended by 2005 PA  
102 and sections 17, 19, and 23 as amended by 2007 PA 173.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 7. The articles of incorporation of a Michigan early  
2 stage venture investment corporation shall contain all of the  
3 following:

4           (a) The purposes of the corporation, which shall include, but  
5 are not limited to, all of the following:

6           (i) To operate and act exclusively for charitable purposes

1 with the intent to lessen the financial burdens of the government  
2 of this state.

3 (ii) To receive and administer funds for the charitable  
4 purposes under subparagraph (i).

5 (iii) To raise capital and invest that capital in venture  
6 capital firms with the intent of benefiting Michigan's seed or  
7 early stage businesses.

8 (iv) To promote the economic health of this state by assisting  
9 in the creation of new jobs, new businesses, and new industries  
10 within this state and through the investment in certain businesses.

11 (v) To enter into an agreement with this state to promote the  
12 economic health of this state.

13 (b) A provision that the Michigan early stage venture  
14 investment corporation shall be governed by a board of directors  
15 that complies with the requirements in section 13.

16 (c) A provision that provides that, upon dissolution of the  
17 Michigan early stage venture investment corporation, the property  
18 remaining after providing for debts and obligations of the Michigan  
19 early stage venture investment corporation shall be distributed to  
20 ~~an organization that qualifies either as a governmental unit under~~  
21 ~~section 170(c) of the internal revenue code or is exempt from tax~~  
22 ~~under section 501(c)(3) or 501(c)(4) of the internal revenue code,~~  
23 ~~as designated by the board. If the board fails to designate an~~  
24 ~~organization as provided in this subdivision, the property~~  
25 ~~remaining shall pass to the state of Michigan. WITH THE FIRST~~  
26 ~~\$140,000,000.00 GOING TO THE GENERAL FUND OF THIS STATE AND ANY~~  
27 ~~REMAINING GOING TO THE 21ST CENTURY JOBS TRUST FUND ESTABLISHED IN~~

1 **SECTION 7 OF THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.257.**

2 For purposes of this subdivision, property remaining after  
3 providing for debts and obligations does not include grants,  
4 appropriations, or other restricted funds that must be distributed  
5 as required by the source of those funds.

6 Sec. 9. (1) Prior to applying for registration as a Michigan  
7 early stage venture investment corporation under section 11, a  
8 nonprofit corporation shall submit its articles of incorporation  
9 and any amendments to those articles of incorporation to the  
10 attorney general for review and certification.

11 (2) The attorney general shall review the information  
12 submitted pursuant to subsection (1) and, if that information  
13 complies with the requirements of this act, and upon payment of a  
14 fee of \$100.00, the attorney general shall issue a certificate of  
15 compliance to the Michigan early stage venture investment  
16 corporation not later than 60 days after the initial receipt of the  
17 information.

18 **(3) NOTWITHSTANDING SUBSECTIONS (1) AND (2), A MICHIGAN EARLY**  
19 **STAGE VENTURE INVESTMENT CORPORATION THAT AMENDS ITS ARTICLES OF**  
20 **INCORPORATION FOR THE SOLE PURPOSE OF COMPLYING WITH SECTION 7(C)**  
21 **IS NOT REQUIRED TO SUBMIT THAT AMENDMENT TO THE ATTORNEY GENERAL**  
22 **FOR REVIEW OR CERTIFICATION OR TO PAY THE FEE OTHERWISE REQUIRED BY**  
23 **SUBSECTION (2). THE ATTORNEY GENERAL IS NOT REQUIRED TO REVIEW OR**  
24 **CERTIFY THE AMENDMENT, AND THAT AMENDMENT SHALL NOT AFFECT ANY**  
25 **PREVIOUS CERTIFICATION BY THE ATTORNEY GENERAL OF THE MICHIGAN**  
26 **EARLY STAGE VENTURE INVESTMENT CORPORATION.**

27 Sec. 11. (1) To apply for registration as a Michigan early

1 stage venture investment corporation, a nonprofit corporation shall  
2 file all of the following with the state treasurer:

3 (a) A copy of the articles of incorporation of the nonprofit  
4 corporation and any amendments to those articles of incorporation.

5 (b) The certificate of compliance issued under section 9. This  
6 subdivision does not apply if the attorney general does not issue  
7 the certificate within the time provided in section 9(2).

8 (c) A general plan of the proposed activities of the nonprofit  
9 corporation, including, but not limited to, evidence of the  
10 establishment by the nonprofit corporation of a restricted fund  
11 that shall be known as a Michigan early stage venture investment  
12 fund.

13 (d) A copy of the financial statements of the nonprofit  
14 corporation for the first fiscal year of the nonprofit corporation.

15 (e) A copy of the bylaws of the nonprofit corporation.

16 (f) Payment of a fee to the state treasurer of \$500.00.

17 (2) The state treasurer shall examine the documents filed  
18 under subsection (1), may conduct any investigation he or she  
19 considers necessary, may request additional oral and written  
20 information from the nonprofit corporation, and may examine under  
21 oath any persons interested in or connected with the nonprofit  
22 corporation seeking to be registered as a Michigan early stage  
23 venture investment corporation.

24 (3) The state treasurer shall register a nonprofit corporation  
25 as a Michigan early stage venture investment corporation if all of  
26 the following conditions are met:

27 (a) The documents filed under subsection (1) are in proper

1 form.

2 (b) The articles of incorporation of the nonprofit corporation  
3 or any amendments to those articles of incorporation meet the  
4 requirements of section 7.

5 (c) The plan and proposed activities of the nonprofit  
6 corporation meet the purposes and requirements of this act.

7 (d) The ~~internal revenue service~~ **INTERNAL REVENUE SERVICE** has  
8 determined that the nonprofit corporation is exempt from taxation  
9 under section 501(c)(3) or 501(c)(4) of the internal revenue code.

10 (4) If the state treasurer registers the nonprofit corporation  
11 as a Michigan early stage venture investment corporation under this  
12 section, the state treasurer shall return to the nonprofit  
13 corporation 1 copy of its articles of incorporation and any  
14 amendments to those articles of incorporation, with a notation  
15 indicating that the nonprofit corporation is registered as a  
16 Michigan early stage venture investment corporation.

17 **(5) NOTWITHSTANDING SUBSECTIONS (1) THROUGH (4), A MICHIGAN**  
18 **EARLY STAGE VENTURE INVESTMENT CORPORATION THAT AMENDS ITS ARTICLES**  
19 **OF INCORPORATION FOR THE SOLE PURPOSE OF COMPLYING WITH SECTION**  
20 **7(C) IS NOT REQUIRED TO SUBMIT THAT AMENDMENT TO THE STATE**  
21 **TREASURER FOR EXAMINATION, INVESTIGATION, OR REGISTRATION UNDER**  
22 **THIS SECTION. THE STATE TREASURER IS NOT REQUIRED TO EXAMINE OR**  
23 **CONDUCT ANY INVESTIGATION WITH RESPECT TO THAT AMENDMENT, AND THAT**  
24 **AMENDMENT SHALL NOT AFFECT ANY PREVIOUS REGISTRATION BY THE STATE**  
25 **TREASURER FOR THAT MICHIGAN EARLY STAGE VENTURE INVESTMENT**  
26 **CORPORATION.**

27 Sec. 15. (1) Except as otherwise provided in this act, in the

1 nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192,  
2 by law, or in its articles of incorporation, a Michigan early stage  
3 venture investment corporation may do or delegate any act  
4 consistent with this act and the purposes of the nonprofit  
5 corporation, including, but not limited to, the following:

6 (a) Enter into contracts and all necessary activities in the  
7 regular course of business of the Michigan early stage venture  
8 investment corporation.

9 (b) Charge reasonable fees for the implementation of this act  
10 and the ongoing operation of the Michigan early stage venture  
11 investment corporation.

12 (c) Perform acts or enter into financial or other transactions  
13 necessary to carry out its powers and duties under this act.

14 (d) Invest in venture capital funds through equity securities.

15 (e) Employ fund managers and other persons it considers  
16 necessary to implement this act.

17 (2) The fund manager shall exercise the duties of a fiduciary  
18 toward the corporation and shall discharge his or her duties with  
19 the degree of diligence, care, and skill that an ordinarily prudent  
20 person would exercise under the same or similar circumstances in a  
21 like position.

22 (3) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SECTION 19(4), THE**  
23 fund manager shall solicit investors pursuant to section 17.

24 (4) The Michigan early stage venture investment corporation  
25 shall require the fund manager to develop procedures to evaluate  
26 types of business and industry for investment purposes and to set  
27 priorities as to which businesses are most likely to meet the

1 desired outcomes of the investment plan established under section  
2 19 and which businesses conduct activities that are consistent with  
3 the purposes of this act and of the fund. This evaluation shall  
4 include, but not be limited to, the location of the firm and the  
5 direct and indirect impact of the business on the economic  
6 development of this state.

7       Sec. 17. (1) ~~TO~~ **SUBJECT TO SUBSECTION (9)**, TO secure  
8 investment in the fund, the Michigan early stage venture investment  
9 corporation shall enter into agreements with investors.

10       (2) Each agreement shall contain all of the following:

11       (a) An established and agreed-upon investment amount and  
12 repayment schedule.

13       (b) A negotiated amount or negotiated return on qualified  
14 investment by the investor over the term of the agreement.

15       (c) A maximum amount of tax vouchers that the investor may use  
16 to pay a liability under ~~the single business tax act, FORMER~~ 1975  
17 PA 228, ~~MCL 208.1 to 208.145,~~ the Michigan business tax act, 2007  
18 PA 36, MCL 208.1101 to 208.1601, or ~~under~~ the income tax act of  
19 1967, 1967 PA 281, MCL 206.1 to ~~206.532,~~ **206.713**, and the first  
20 year in which that tax voucher may be used to pay a liability under  
21 ~~the single business tax act, FORMER~~ 1975 PA 228, ~~MCL 208.1 to~~  
22 ~~208.145,~~ the Michigan business tax act, 2007 PA 36, MCL 208.1101 to  
23 208.1601, or the income tax act of 1967, 1967 PA 281, MCL 206.1 to  
24 ~~206.532,~~ **206.713**, including any withholding tax imposed on the  
25 investor under the income tax act of 1967, 1967 PA 281, MCL 206.1  
26 to ~~206.532-~~ **206.713**.

27       (3) The Michigan early stage venture investment corporation

1 shall notify the department of treasury when agreements are entered  
2 into under this section and send a copy of each agreement to the  
3 department of treasury. After making the determination required  
4 under section 23(2), the department of treasury shall issue an  
5 approval letter to the investor that states that the investor is  
6 entitled to a tax voucher that is equal to the difference between  
7 the amount actually repaid and the amount set as the repayment due  
8 in the agreement entered into by the investor and the Michigan  
9 early stage venture investment corporation.

10 (4) The fund shall repay any amounts due from proceeds from  
11 the funds raised based on the agreements made under this section  
12 and from the proceeds of investments made by the fund.

13 (5) For tax years that begin after December 31, 2008,  
14 investors that have tax voucher certificates issued pursuant to  
15 section 23 may use the tax voucher to pay a liability owed by the  
16 investor under the Michigan business tax act, 2007 PA 36, MCL  
17 208.1101 to 208.1601, or the income tax act of 1967, 1967 PA 281,  
18 MCL 206.1 to ~~206.532~~, **206.713**, as provided in this act, up to an  
19 amount equal to the difference between the amount actually repaid  
20 and the amount set as the repayment due in the agreement entered  
21 into by the taxpayer and the Michigan early stage venture  
22 investment corporation. The Michigan early stage venture investment  
23 corporation shall notify the department of treasury when tax  
24 voucher certificates are issued under section 23(5).

25 (6) Repayment of a debt under this section may be restricted  
26 to specific funds or assets of the Michigan early stage venture  
27 investment corporation.

1           (7) The Michigan early stage venture investment corporation  
2 may purchase securities and may manage, transfer, or dispose of  
3 those securities.

4           (8) The Michigan early stage venture investment corporation  
5 and its directors are not broker-dealers, agents, investment  
6 advisors, or investment advisor representatives when carrying out  
7 their duties and responsibilities under this act.

8           (9) THE MICHIGAN EARLY STAGE VENTURE INVESTMENT CORPORATION  
9 SHALL NOT ENTER INTO ANY NEW AGREEMENTS WITH INVESTORS AFTER THE  
10 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.  
11 HOWEVER, THE MICHIGAN EARLY STAGE VENTURE INVESTMENT CORPORATION  
12 MAY MODIFY AN EXISTING AGREEMENT WITH AN INVESTOR AS LONG AS NO  
13 ADDITIONAL PRINCIPAL IS BORROWED FROM THAT INVESTOR AND TAX  
14 VOUCHERS ARE NOT INCREASED ABOVE THE LEVEL THAT HAVE BEEN APPROVED  
15 UNDER SECTION 23 ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT  
16 ADDED THIS SUBSECTION. HOWEVER, THE MICHIGAN EARLY STAGE VENTURE  
17 INVESTMENT CORPORATION MAY MODIFY AN EXISTING AGREEMENT WITH AN  
18 INVESTOR THAT THE MICHIGAN EARLY STAGE VENTURE INVESTMENT  
19 CORPORATION HAS RECEIVED A LOAN OR LINE OF CREDIT FROM AND MAY  
20 EXPEND MONEY TO MODIFY THAT AGREEMENT, AS LONG AS THAT AGREEMENT  
21 MEETS ALL OF THE FOLLOWING:

22           (A) THE MODIFICATION DOES NOT RESULT IN THE MICHIGAN EARLY  
23 STAGE VENTURE INVESTMENT CORPORATION EXPENDING GREATER THAN  
24 \$500,000.00 IN COSTS, FEES, LEGAL FEES, MANAGEMENT FEES, OR OTHER  
25 EXPENSES WITHOUT THE CONSENT OF THE STATE BUDGET DIRECTOR.

26           (B) NOTIFICATION OF THE MODIFICATION IS REPORTED TO THE STATE  
27 BUDGET OFFICE AND CHAIRPERSONS OF THE HOUSE AND SENATE

1 **APPROPRIATIONS COMMITTEES WITHIN 30 DAYS OF THE FINALIZATION OF THE**  
2 **MODIFICATION.**

3       Sec. 19. (1) A Michigan early stage venture investment  
4 corporation shall create a Michigan early stage venture investment  
5 fund, which shall be a restricted fund.

6       (2) The fund manager shall establish an investment plan  
7 approved by the board for the investment of the money in the fund  
8 using the following criteria:

9       (a) Not more than 15% of the total capital and outstanding  
10 commitments of the fund shall be invested in any single venture  
11 capital company.

12       (b) The fund manager with the approval of the board shall  
13 undertake to invest the fund in such a way as to promote that at  
14 least \$2.00 will be invested in qualified businesses for every  
15 \$1.00 of principal for which tax vouchers may be used to pay a  
16 liability under ~~the single business tax act, FORMER~~ 1975 PA 228,  
17 ~~MCL 208.1 to 208.145,~~ the Michigan business tax act, 2007 PA 36,  
18 MCL 208.1101 to 208.1601, or the income tax act of 1967, 1967 PA  
19 281, MCL 206.1 to ~~206.532-206.713.~~

20       (c) That investments facilitate the transfer of technologies  
21 from the state's various universities and research institutions.

22       (d) Any other professional portfolio management criteria that  
23 the fund manager and board consider appropriate.

24       (e) Priorities for investment in venture capital may be based  
25 on an evaluation, which shall consider the following criteria:

26       (i) The retention of those businesses that would be likely to  
27 leave this state absent the investment.

1           (ii) The revitalization and diversification of the economic  
2 base of this state.

3           (iii) Generating and retaining jobs and investment in this  
4 state.

5           (3) Consistent with the plan established under subsection (2),  
6 the fund manager shall select venture capital companies from among  
7 those venture capital companies that apply for money from the fund  
8 considering the following criteria:

9           (a) The venture capital company's probability of success in  
10 generating above-average returns through investing in qualified  
11 businesses.

12           (b) The venture capital company's probability of success in  
13 soliciting investments. The level of investment from the fund  
14 committed to each venture capital company shall not be more than  
15 25% of the venture capital company's total capital under  
16 management.

17           (c) The venture capital company's probability of success as it  
18 relates to the investment plan criteria under subsection (2)(b).

19           (d) The venture capital company has a significant presence in  
20 this state as determined by the Michigan early stage venture  
21 investment corporation.

22           (e) The venture capital company will undertake to invest in  
23 qualified businesses, as determined at the point of initial  
24 investment, a percentage of invested capital equal to or greater  
25 than the percentage of invested capital that the venture capital  
26 company received from the fund.

27           (f) The venture capital company's consideration of minority

1 owned businesses in its investment activities.

2 (4) A MICHIGAN EARLY STAGE VENTURE INVESTMENT CORPORATION  
3 SHALL NOT CREATE A MICHIGAN EARLY STAGE VENTURE INVESTMENT FUND AND  
4 A MICHIGAN EARLY STAGE VENTURE INVESTMENT CORPORATION SHALL NOT  
5 MAKE ANY NEW COMMITMENTS TO CONTRIBUTE CAPITAL TO A VENTURE CAPITAL  
6 COMPANY AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED  
7 THIS SUBSECTION. HOWEVER, A FUND MAY MODIFY AN EXISTING AGREEMENT  
8 OR INVESTMENT WITH A VENTURE CAPITAL COMPANY AS LONG AS NO  
9 ADDITIONAL FUNDS ARE COMMITTED TO THE VENTURE CAPITAL COMPANY AFTER  
10 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS  
11 SUBSECTION.

12 Sec. 21. The fund manager shall file ~~a~~**AN ANNUAL** report with  
13 the Michigan early stage venture investment corporation that  
14 includes an annual financial audit conducted by an independent  
15 auditor and any other financial information and documentation  
16 required by the Michigan early stage venture investment corporation  
17 to ensure the proper administration and investment of the fund.

18 Sec. 23. (1) The Michigan early stage venture investment  
19 corporation shall determine which investors are eligible for tax  
20 vouchers under ~~the single business tax act,~~**FORMER** 1975 PA 228, ~~MCL~~  
21 ~~208.1 to 208.145,~~ the Michigan business tax act, 2007 PA 36, MCL  
22 208.1101 to 208.1601, and the income tax act of 1967, 1967 PA 281,  
23 MCL 206.1 to ~~206.532,~~**206.713**, and the amount of the tax voucher or  
24 vouchers allowed to each investor.

25 (2) The Michigan early stage venture investment corporation  
26 shall determine which investors are eligible for tax vouchers under  
27 this section and submit proposed tax voucher certificates that meet

1 the criteria under subsection (3) to the department of treasury for  
2 approval. The department of treasury shall approve or deny proposed  
3 tax voucher certificates within 30 days after receipt of the  
4 proposed tax voucher certificates. If the department of treasury  
5 denies a proposed tax voucher certificate, the department of  
6 treasury shall notify the Michigan early stage venture investment  
7 corporation and the investor of the denial and the reason for the  
8 denial. If a proposed tax voucher certificate is denied under this  
9 subsection, the Michigan early stage venture investment corporation  
10 is not prohibited from subsequently submitting a proposed tax  
11 voucher certificate on behalf of that same investor. ~~If the~~  
12 ~~department of treasury does not approve or deny the proposed tax~~  
13 ~~voucher certificates within 30 days, the proposed tax voucher~~  
14 ~~certificates are considered approved as submitted.~~ The approval by  
15 the department of treasury under this section may be a condition to  
16 the effectiveness of the agreement between the investor and the  
17 Michigan early stage investment corporation required under section  
18 17(1). **THE DEPARTMENT OF TREASURY SHALL NOT APPROVE ANY NEW TAX**  
19 **VOUCHER CERTIFICATES AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT**  
20 **THAT ADDED THIS SENTENCE.**

21 (3) At the time permitted under subsection (5), the Michigan  
22 early stage venture investment corporation shall issue a tax  
23 voucher certificate approved under subsection (2) to each investor  
24 in the name of the investor that states all of the following:

25 (a) The taxpayer is an investor.

26 (b) The taxpayer's federal employer identification number or  
27 the number assigned to the taxpayer by the department of treasury

1 for filing purposes under ~~the single business tax act, FORMER~~ 1975  
2 PA 228, ~~MCL 208.1 to 208.145,~~ or the Michigan business tax act,  
3 2007 PA 36, MCL 208.1101 to 208.1601.

4 (c) The amount of the tax voucher that any taxpayer that uses  
5 the tax voucher may use to pay its tax liability under ~~the single~~  
6 ~~business tax act, FORMER~~ 1975 PA 228, ~~MCL 208.1 to 208.145,~~ the  
7 Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, or  
8 the income tax act of 1967, 1967 PA 281, MCL 206.1 to  
9 ~~206.532-206.713.~~

10 (d) The tax years for which the tax voucher under subdivision  
11 (c) may be used and the maximum annual amount that may be used each  
12 tax year.

13 (e) The amount of the tax vouchers that may be used shall not  
14 exceed the tax liability under ~~the single business tax act, FORMER~~  
15 1975 PA 228, ~~MCL 208.1 to 208.145,~~ the Michigan business tax act,  
16 2007 PA 36, MCL 208.1101 to 208.1601, or the income tax act of  
17 1967, 1967 PA 281, MCL 206.1 to ~~206.532,~~ **206.713**, of the taxpayer  
18 that uses the tax voucher.

19 (f) The tax voucher may be transferred in whole or in part.

20 (g) If the amount of any tax voucher certificate exceeds the  
21 investor's tax liability under ~~the single business tax act, FORMER~~  
22 1975 PA 228, ~~MCL 208.1 to 208.145,~~ the Michigan business tax act,  
23 2007 PA 36, MCL 208.1101 to 208.1601, or the income tax act of  
24 1967, 1967 PA 281, MCL 206.1 to ~~206.532,~~ **206.713**, the amount that  
25 exceeds the investor's tax liability may be retained and used to  
26 pay a future liability of the investor under ~~the single business~~  
27 ~~tax act, FORMER~~ 1975 PA 228, ~~MCL 208.1 to 208.145,~~ the Michigan

1 business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, or the  
2 income tax act of 1967, 1967 PA 281, MCL 206.1 to ~~206.532~~ **206.713**.

3 (4) The fund manager shall invest, budget, and plan scheduled  
4 payments and repayments so that no tax voucher is used in any tax  
5 year before tax years that begin after December 31, 2008.

6 (5) The Michigan early stage investment corporation shall  
7 issue tax voucher certificates under this section to an investor at  
8 the time that the Michigan early stage venture investment  
9 corporation determines that, for that investor, it is unable to pay  
10 the negotiated amount or the negotiated return on qualified  
11 investment of that investor on or before the date on which payment  
12 is due. The total of all tax voucher certificates issued under this  
13 section shall not exceed ~~the maximum amount allowed under section~~  
14 ~~37e(2) of the single business tax act, 1975 PA 228, MCL 208.37e,~~  
15 ~~or, after December 31, 2007, the maximum amount allowed under~~  
16 ~~section 419(2) of the Michigan business tax act, 2007 PA 36, MCL~~  
17 ~~208.1419.~~ **\$450,000,000.00.**

18 (6) Tax voucher certificates under this section shall not be  
19 issued until December 31, 2008.

20 (7) A tax voucher certificate issued under subsection (5), or  
21 the right to be issued and receive a tax voucher certificate from  
22 the Michigan early stage venture investment corporation, may be  
23 transferred in whole or in part by a holder to another person if  
24 the holder notifies the department of treasury and the Michigan  
25 early stage venture investment corporation in writing of the  
26 transfer, the amount of the tax voucher certificate to be  
27 transferred, and the name and tax identification information

1 provided for under subsection (3) of the proposed transferee. The  
2 tax voucher certificate transferred under this subsection shall be  
3 made on a form prescribed by the department of treasury. The holder  
4 shall send a copy of the completed transfer form to the department  
5 of treasury within 60 days after the date of the transfer.

6 (8) A transfer under this section is irrevocable. If the  
7 holder is transferring less than all of the tax voucher certificate  
8 to a transferee, the department of treasury may issue new tax  
9 voucher certificates to the holder and transferee representing the  
10 allocated values of the tax voucher certificates held by the holder  
11 and the transferee after the transfer.

12 (9) A holder of a tax voucher certificate shall attach a copy  
13 of the tax voucher certificate and, if applicable, a completed  
14 transfer form to its annual return for the tax toward which the tax  
15 voucher certificate is used by the holder. If the amount of any tax  
16 voucher certificate eligible to be used by a holder is in excess of  
17 the holder's tax liability under either ~~the single business tax~~  
18 ~~act, FORMER 1975 PA 228, MCL 208.1 to 208.145,~~ the Michigan  
19 business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, or the  
20 income tax act of 1967, 1967 PA 281, MCL 206.1 to ~~206.532,~~ **206.713,**  
21 the excess may be retained and used to pay any future business tax  
22 or income tax liability of the holder.

23 Sec. 27. (1) The Michigan early stage venture investment  
24 corporation shall publish **AND MAKE AVAILABLE ON THE INTERNET** an  
25 annual report not more than 3 months after the close of the  
26 Michigan early stage venture investment corporation's fiscal year  
27 that includes all of the following:

1 (a) An enumeration of all investment and related activities  
2 for the fiscal year.

3 (b) Documentation and analysis of the implementation and  
4 status of the Michigan early stage venture investment corporation's  
5 investment plan and the economic impact of the plan on this state,  
6 including, but not limited to, the following:

7 (i) The number of jobs represented by the investments made in  
8 qualified businesses in this state.

9 (ii) Return on investment generated by investment, the types  
10 of activities in which investment was made, and the impact of that  
11 investment on the economic base of this state.

12 (C) RETURN THROUGH THE FISCAL YEAR FROM INVESTMENTS MADE BY  
13 EACH MICHIGAN EARLY STAGE VENTURE INVESTMENT FUND IN VENTURE  
14 CAPITAL COMPANIES.

15 (D) THE NUMBER OF SEED OR EARLY STAGE BUSINESSES THAT HAVE  
16 BEEN FUNDED BY VENTURE CAPITAL COMPANIES.

17 (E) THE AGGREGATE NET DISTRIBUTIONS MADE TO EACH FUND BY THE  
18 VENTURE CAPITAL COMPANIES THAT HAVE ENTERED INTO AGREEMENTS WITH  
19 EACH MICHIGAN EARLY STAGE VENTURE INVESTMENT FUND THROUGH THE END  
20 OF THE FISCAL YEAR AND SINCE THE INCEPTION OF EACH MICHIGAN EARLY  
21 STAGE VENTURE INVESTMENT FUND.

22 (F) THE TOTAL AMOUNT INVESTED BY EACH MICHIGAN EARLY STAGE  
23 INVESTMENT FUND IN VENTURE CAPITAL COMPANIES.

24 (G) ANY UPCOMING USE OF TAX VOUCHERS THAT IS CERTAIN AND THE  
25 TIMING OF THAT USE.

26 (H) AN ESTIMATE OF THE POTENTIAL USE OF TAX VOUCHERS OVER THE  
27 5-YEAR PERIOD FOLLOWING THE END OF THE FISCAL YEAR.

1           (2) EACH YEAR, THE MICHIGAN EARLY STAGE INVESTMENT CORPORATION  
2 SHALL PROVIDE A COPY OF THE ANNUAL REPORT DESCRIBED IN SUBSECTION  
3 (1) TO THE CHAIRPERSONS OF THE HOUSE AND SENATE APPROPRIATIONS  
4 COMMITTEES UPON ITS PUBLICATION.

5           Enacting section 1. This amendatory act does not take effect  
6 unless all of the following bills of the 98th Legislature are  
7 enacted into law:

8           (a) House Bill No. 4196.

9           (b) House Bill No. 4365.