

Act No. 458
Public Acts of 2018
Approved by the Governor
December 26, 2018
Filed with the Secretary of State
December 27, 2018
EFFECTIVE DATE: March 29, 2019

**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senator Zorn

ENROLLED SENATE BILL No. 40

AN ACT to amend 1984 PA 270, entitled "An act relating to the economic development of this state; to create the Michigan strategic fund and to prescribe its powers and duties; to transfer and provide for the acquisition and succession to the rights, properties, obligations, and duties of the job development authority and the Michigan economic development authority to the Michigan strategic fund; to provide for the expenditure of proceeds in certain funds to which the Michigan strategic fund succeeds in ownership; to provide for the issuance of, and terms and conditions for, certain notes and bonds of the Michigan strategic fund; to create certain boards and funds; to create certain permanent funds; to exempt the property, income, and operation of the fund and its bonds and notes, and the interest thereon, from certain taxes; to provide for the creation of certain centers within and for the purposes of the Michigan strategic fund; to provide for the creation and funding of certain accounts for certain purposes; to impose certain powers and duties upon certain officials, departments, and authorities of this state; to make certain loans, grants, and investments; to provide penalties; to make an appropriation; and to repeal acts and parts of acts," by amending section 88r (MCL 125.2088r), as amended by 2014 PA 506.

The People of the State of Michigan enact:

Sec. 88r. (1) The fund shall create and operate the Michigan business development program to provide grants, loans, and other economic assistance to qualified businesses that make qualified investments in this state or provide qualified new jobs in this state.

(2) The Michigan business development program shall provide for all of the following:

(a) Grants, loans, and other economic assistance to assist qualified businesses in making qualified investments and providing new jobs in this state, with preference given to qualified businesses that need additional assistance for deal-closing and for second stage company gap financing.

(b) A detailed application, approval, and compliance process published and available on the fund's website. The detailed application, approval, and compliance process must, at a minimum, contain the following:

(i) A qualified business may apply for a grant, loan, or other economic assistance in a form and manner determined by the fund.

(ii) After receipt of an application, the fund may enter into a written agreement with the qualified business if the qualified business agrees to make certain qualified investments or create a certain number of new jobs in this state.

(iii) The written agreement must provide in a clear and concise manner all of the conditions imposed, including specific time frames, on the qualified business to receive a grant, loan, or other economic assistance under this section.

(iv) The written agreement must provide for a repayment provision of any grants, loans, or other economic assistance if the qualified business fails to comply with the provisions of the written agreement.

(v) The written agreement must provide for an audit provision that requires the fund to verify that established milestones for the project have been met.

(c) In any fiscal year, a qualified business shall not receive more than \$10,000,000.00 for a project funded under this section.

(3) The fund shall not enter into a written agreement with a qualified business unless all of the following are met:

(a) The municipality makes a staff, financial, or economic commitment to the project as determined by the fund.

(b) The qualified business provides a business plan or demonstrates the need for the grant, loan, or other economic assistance.

(c) The qualified business agrees to provide the data described in the written agreement necessary for the fund to report to the legislature under this act.

(4) The fund shall post on its website or post on the website of the Michigan economic development corporation the name and location of each qualified business that received a grant, loan, or other economic assistance awarded under this section and the amount of the grant, loan, or other economic assistance.

(5) Beginning February 1, 2012 and not less than every 3 months thereafter, the fund shall post on its internet website the name and location of a qualified business that received approval of a grant, loan, or other economic assistance under this section in the immediately preceding 3-month period.

(6) The legislature finds and declares that funding authorized under this section to encourage diversification of the economy, to encourage capital investment in this state, and to promote the creation of qualified new jobs in this state is a public purpose and of paramount concern in the interest of the health, safety, and general welfare of the citizens of this state.

(7) As used in this section:

(a) "Other economic assistance" means any other form of assistance allowed under this act that is not a grant or a loan.

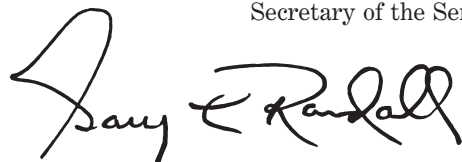
(b) "Qualified business" means a business that is located in or operates in this state or will locate or will operate in this state as determined by the fund. A qualified business may include more than 1 business as determined by the fund board.

(c) "Qualified investment" means investment in this state related to a project subject to a written agreement under this section.

(d) "Qualified new job" means a job performed by an individual who is a resident of this state whose Michigan income taxes are withheld by an employer, or an employee leasing company or professional employer organization on behalf of the employer, or by an individual who is not a resident of this state and is employed by a business at a project location that is located in this state, provided that the business certifies in writing at the time of disbursement that not less than 75% of the employees of that business are residents of this state, that is in excess of the number of jobs maintained by the qualified business in this state prior to the expansion or location, as determined and verified by the fund.



Secretary of the Senate



Clerk of the House of Representatives

Approved

.....
Governor