Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5575 (Substitute H-1 as reported without amendment)
Sponsor: Representative Triston Cole
House Committee: Regulatory Reform
Ways and Means
Senate Committee: Economic and Small Business Development

CONTENT

The bill would amend the Michigan Strategic Fund Act to modify the definition of "rural jobs and capital investment fund". Under the Act, "rural jobs and capital investment fund" means an entity approved by the Michigan Strategic Fund under the Act that meets the all the following:

-- As of the date of the application, the entity or its affiliates have invested at least $100.0 million in nonpublic companies located in counties throughout the United States with a population less than 50,000.
-- As of the date of the application, the entity or its affiliates have received equity investments from investors who are not affiliates of the applicant in an amount equal to at least $100.0 million

In addition, the definition requires the entity approved by the fund or its affiliate to be a rural business investment company or a small business investment company under Federal law, be registered as an investment adviser under Federal law, and be regulated by the Securities and Exchanges Commission. The bill would modify this provision to specify that the entity or one or more of its affiliates would have to be regulated by the Securities and Exchange Commission and meet either of the following:

-- Be a rural business investment company or a small business investment company under Federal law.
-- Be registered as an investment adviser under Federal law.

MCL 125.2090l

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have no fiscal impact on the Department of Labor and Economic Opportunity or local units of government.

Date Completed: 9-30-20

Fiscal Analyst: Cory Savino

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.