

SENATE BILL NO. 27

January 23, 2025, Introduced by Senator KLINEFELT and referred to Committee on Economic and Community Development.

A bill to amend 2006 PA 317, entitled

"An act to create certain entities in the Michigan strategic fund; to impose certain duties and responsibilities on those entities and on certain state employees and public employees; and to repeal acts and parts of acts,"

by amending section 2 (MCL 125.1972), as amended by 2010 PA 337.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 2. (1) The Michigan defense center is created in the
- 2 Michigan strategic fund. The board of the Michigan strategic fund
- 3 may delegate those functions and authority that the board considers
- 4 necessary or appropriate as provided in section 5 of the Michigan

1 strategic fund act, 1984 PA 270, MCL 125.2005.

2 (2) The Michigan defense center shall do all of the following:

3 (a) Focus solely on job creation and job retention from
4 business opportunities associated with the ~~procurement technical~~
5 ~~assistance center~~ **APEX Accelerator** for homeland security and
6 defense contracts and contracts related to homeland security and
7 defense.

8 (b) Coordinate with ~~procurement technical assistance centers~~
9 **APEX Accelerators** in this state to maximize homeland security and
10 defense business opportunities for small businesses and small
11 business innovation research programs located in this state.

12 (c) Give priority to bring homeland security and defense
13 business opportunities to municipalities hardest hit by
14 manufacturing layoffs.

15 (d) Set a performance objective of increasing defense and
16 homeland security contracts awarded to businesses located in this
17 state.

18 (e) Provide resources needed to meet the performance objective
19 described in subdivision (d) not later than July 20, 2007.

20 (f) Coordinate Michigan defense center efforts with programs
21 funded with proceeds from the 21st century jobs trust fund under
22 the Michigan trust fund act, 2000 PA 489, MCL 12.251 to ~~12.260,~~
23 **12.262**, and other initiatives that are targeted toward
24 commercialization activities related to homeland security and
25 defense research and development in higher education institutions,
26 research centers, and other businesses working in the homeland
27 security and defense arena.

28 (g) Coordinate with businesses and nonprofit organizations
29 located in this state for the purposes of maximizing homeland

1 security and defense business opportunities.

2 (3) The Michigan defense center shall hire an executive
3 director and a support person to operate the Michigan defense
4 center. Additional staff may be hired once a business plan has been
5 developed and approved by the board of the Michigan strategic fund.
6 The development plan may include the percentage of funds used for
7 grants, loans, and operating expenses.

8 (4) The Michigan defense center may exercise those powers,
9 privileges, and authorities that the Michigan strategic fund and
10 local public agencies share in common and that each might exercise
11 separately. The shared power, privilege, or authority ~~shall~~**must** be
12 exercised by a public body corporate created under section 28 of
13 article VII of the state constitution of 1963 and the urban
14 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
15 124.512, by a contractual interlocal agreement effective April 5,
16 1999 between local participating economic development corporations
17 formed under the economic development corporations act, 1974 PA
18 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

19 (5) The Michigan defense center shall not use any state funds
20 to construct or renovate a building for its own use.

21 (6) If a ~~procurement technical assistance center~~**an APEX**
22 **Accelerator** or other entity receives a grant or loan from the
23 Michigan defense center or any funding from the Michigan strategic
24 fund, that ~~procurement technical assistance center~~**APEX Accelerator**
25 or other entity shall report the following information not less
26 than once each year to the Michigan defense center:

27 (a) A description of how that grant, loan, or other funding
28 has been used by the ~~procurement technical assistance center~~**APEX**
29 **Accelerator** or other entity in the immediately preceding year.

(b) The number and amount of defense or homeland security contracts the ~~procurement technical assistance center~~ **APEX Accelerator** or other entity has received in the immediately preceding year.

(7) As used in this act:

(a) "Michigan defense center" means the Michigan defense center created in this section.

(b) "Michigan strategic fund" means the Michigan strategic fund created under the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

(c) "Municipality" means a township, village, city, or county.

(d) "Small business" means a business with fewer than 400 employees.