

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6064**

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 90b (MCL 125.2090b), as amended by 2017 PA 239,
and by adding chapter 8E.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 90b. (1) The fund shall create and operate the Michigan
2 community revitalization program to provide community
3 revitalization incentives for eligible investments on eligible
4 property in this state. The fund shall develop and use a detailed
5 application, approval, and compliance process adopted by a
6 resolution of the board and published and available on the fund's
7 website. Program standards, guidelines, templates, or any other
8 forms used by the fund to implement the Michigan community
9 revitalization program shall be approved by the board.

1 (2) A person or 2 or more persons may apply to the fund for
2 approval of community revitalization incentives associated with a
3 project under this section. Community revitalization incentives
4 shall not be approved for any property that is not eligible
5 property.

6 (3) Funds appropriated for programs under this chapter must be
7 placed in the 21st century jobs trust fund created in the Michigan
8 trust fund act, 2000 PA 489, MCL 12.251 to 12.262.

9 (4) Subject to section 88c, the fund shall review all
10 applications for community revitalization incentives. As part of
11 the application, the applicant shall include documentation
12 establishing that the project is located on eligible property and a
13 project description that includes a project pro-forma. The fund
14 shall consider the following criteria to the extent reasonably
15 applicable as reasonably determined by the fund board or its
16 designee to the type of project proposed when approving a community
17 revitalization incentive:

18 (a) The importance of the project to the community in which it
19 is located.

20 (b) If the project will act as a catalyst for additional
21 revitalization of the community in which it is located.

22 (c) The amount of local community and financial support for
23 the project.

24 (d) The applicant's financial need for a community
25 revitalization incentive.

26 (e) The extent of reuse of vacant buildings, reuse of historic
27 resources, and redevelopment of blighted property.

1 (f) Creation of jobs.

2 (g) The level of private sector and other contributions,
3 including, but not limited to, federal funds and federal tax
4 credits.

5 (h) Whether the project is financially and economically sound.

6 (i) Whether the project increases the density of the area.

7 (j) Whether the project promotes mixed-use development and
8 walkable communities.

9 (k) Whether the project converts abandoned public buildings to
10 private use.

11 (l) Whether the project promotes sustainable development.

12 (m) Whether the project involves the rehabilitation of a
13 historic resource.

14 (n) Whether the project addresses areawide redevelopment.

15 (o) Whether the project addresses underserved markets of
16 commerce.

17 (p) The level and extent of environmental contamination.

18 (q) If the rehabilitation of the historic resource will meet
19 the federal secretary of the interior's standards for
20 rehabilitation and guidelines for rehabilitating historic
21 buildings, 36 CFR 67, when applied after engaging in discussions
22 with the state historic preservation office.

23 (r) Whether the project will compete with or affect existing
24 Michigan businesses within the same industry.

25 (s) Any other additional criteria approved by the board that
26 are specific to each individual project and are consistent with the
27 findings and intent of this chapter.

1 (5) An application shall be approved or denied not more than
2 90 days after receipt of the application that is considered
3 administratively complete by the board or its designee. If the
4 application is neither approved nor denied within 90 days after
5 being considered administratively complete, it must be considered
6 by the fund board, or its president if delegated, for action at, or
7 by, the next regularly scheduled board meeting. If an application
8 is approved, the fund shall determine the amount of community
9 revitalization incentives for the project based on the fund's
10 review of the application and the criteria specified in subsection
11 (4) .

12 (6) Except as otherwise provided in this subsection, the
13 amount of community revitalization incentives that the board may
14 approve for a single project shall not exceed 25% of a project's
15 eligible investment up to \$10,000,000.00. **HOWEVER, IN A CITY,**
16 **VILLAGE, OR TOWNSHIP WITH A POPULATION OF 15,000 OR LESS BASED ON**
17 **THE MOST RECENT FEDERAL DECENNIAL CENSUS, THE AMOUNT OF COMMUNITY**
18 **REVITALIZATION INCENTIVES THAT THE BOARD MAY APPROVE FOR A SINGLE**
19 **PROJECT SHALL NOT EXCEED 50% OF A PROJECT'S ELIGIBLE INVESTMENT UP**
20 **TO \$10,000,000.00.** A community revitalization loan shall not exceed
21 \$10,000,000.00, and a community revitalization grant shall not
22 exceed \$1,500,000.00. However, a combination of loans, grants, and
23 other economic assistance under this chapter shall not exceed
24 \$10,000,000.00 per project. The board may not approve
25 \$10,000,000.00 per project in community revitalization incentives
26 to more than 3 projects per fiscal year. The board shall approve
27 not less than 5 projects of \$1,000,000.00 or less per project per

1 fiscal year. If, after reviewing all applications in a fiscal year,
2 the fund determines that less than 5 projects warranted an award of
3 \$1,000,000.00 or less, this subsection does not apply.

4 Notwithstanding any other limitation in this subsection, each year,
5 of the community revitalization projects approved by the board, the
6 board may approve up to 3 single projects that shall not exceed 50%
7 of a project's eligible investment up to \$10,000,000.00 for
8 community revitalization loans and grants for the specific purpose
9 of historic preservation. Beginning for the 2017-2018 fiscal year
10 and through the 2021-2022 fiscal year, except as otherwise provided
11 in subsection (9), not less than 5% of community revitalization
12 incentives shall be awarded to neighborhood and commercial corridor
13 food initiatives.

14 (7) When the board approves an application and determines the
15 amount of community revitalization incentives, the board shall
16 enter into a written agreement with the applicant. The written
17 agreement must provide in a clear and concise manner all of the
18 conditions imposed, including specific time frames, on the
19 applicant to receive the community revitalization incentive under
20 this chapter. The written agreement must provide for the secured
21 status of any loan, repayment, and penalties if the applicant fails
22 to comply with the provisions of the written agreement as
23 determined by the board. The applicant shall agree to provide the
24 data described in the written agreement that is necessary for the
25 fund to report to the legislature under this chapter.

26 (8) Not more than 4% of the annual appropriation as provided
27 by law from the 21st century jobs trust fund established in the

Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.262, may be used for the purposes of administering the programs and activities authorized under this chapter. However, the fund and the fund board shall not use more than 3% of the annual appropriation for administering the programs and activities authorized under this chapter unless the fund board by a 2/3 vote authorizes the additional 1% for administration. The MEDC may charge actual and reasonable fees for costs associated with the community revitalization incentive authorized under this chapter. These fees are in addition to an amount of the appropriation used for administering the programs and activities authorized under this chapter.

(9) The application process for community revitalization incentives for neighborhood and commercial corridor food initiatives must provide that applications for neighborhood and commercial corridor food initiatives must be received on or before June 1 for that fiscal year. If there are insufficient approved applications in a fiscal year for community revitalization incentives for neighborhood and commercial corridor food initiatives, then the remaining allocated funds may be used for community revitalization incentives that are not for neighborhood and commercial corridor food initiatives as determined by the board. In addition, a new neighborhood and commercial corridor food initiative, as determined by the board, is not eligible for a community revitalization incentive if it is located within 1 mile of an existing retail supermarket, grocery store, or produce market, as determined by the board, that offers unprocessed USDA-

1 inspected meat and poultry products or meat products that carry the
2 USDA organic seal, fresh fruits and vegetables, and dairy products
3 for sale to the public.

4 (10) The legislature finds and declares that funding
5 authorized under this section is intended to encourage
6 diversification of the economy, to encourage capital investment in
7 this state, to promote the creation of qualified new jobs in this
8 state, and to promote the investment in brownfield and historic
9 preservation projects that reclaim previously used property that is
10 less likely to be revitalized without the investment.

11 CHAPTER 8E

12 SEC. 90/. AS USED IN THIS CHAPTER:

13 (A) "AFFILIATE" MEANS AN ENTITY THAT, DIRECTLY OR INDIRECTLY,
14 THROUGH 1 OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY, OR IS
15 UNDER COMMON CONTROL WITH ANOTHER ENTITY. FOR THE PURPOSES OF THIS
16 SUBDIVISION, AN ENTITY IS CONTROLLED BY ANOTHER ENTITY IF THE
17 CONTROLLING ENTITY HOLDS, DIRECTLY OR INDIRECTLY, THE MAJORITY
18 VOTING OR OWNERSHIP INTEREST IN THE CONTROLLED ENTITY OR HAS
19 CONTROL OVER THE DAY-TO-DAY OPERATIONS OF THE CONTROLLED ENTITY BY
20 CONTRACT OR LAW.

21 (B) "CLOSING DATE" MEANS THE DATE ON WHICH A RURAL JOBS AND
22 CAPITAL INVESTMENT FUND HAS RECEIVED A GRANT, LOAN, OR OTHER TYPE
23 OF ECONOMIC ASSISTANCE.

24 (C) "EARNED JOB FACTOR" MEANS AN AMOUNT EQUAL TO \$7,500.00 FOR
25 FACTOR 1 JOBS WITH AN HOURLY WAGE RATE OF AT LEAST 125% OF THE
26 FEDERAL MINIMUM WAGE, \$15,000.00 FOR FACTOR 2 JOBS WITH AN HOURLY
27 WAGE RATE OF AT LEAST 150% OF THE FEDERAL MINIMUM WAGE, \$25,000.00

1 FOR FACTOR 3 JOBS WITH AN HOURLY WAGE RATE OF AT LEAST 200% OF THE
2 FEDERAL MINIMUM WAGE, AND \$35,000.00 FOR FACTOR 4 JOBS WITH AN
3 HOURLY WAGE RATE OF AT LEAST 125% OF THE FEDERAL MINIMUM WAGE AND
4 EMPLOY VETERANS, SENIOR CITIZENS, EX-OFFENDERS, CITIZENS WITH
5 DISABILITIES, OR ANY CITIZEN CONCURRENTLY IN A MICHIGAN DEPARTMENT
6 OF HEALTH AND HUMAN SERVICES ASSISTANCE PROGRAM.

7 (D) "FULL-TIME EQUIVALENT EMPLOYEES" MEANS THE NUMBER OF
8 SALARIED EMPLOYMENT POSITIONS PLUS THE QUOTIENT OBTAINED BY
9 DIVIDING THE TOTAL NUMBER OF HOURS FOR WHICH EMPLOYEES WITH AN
10 HOURLY WAGE RATE OF AT LEAST 150% OF THE FEDERAL MINIMUM WAGE WERE
11 COMPENSATED FOR EMPLOYMENT OVER THE PRECEDING 12-MONTH PERIOD BY
12 2,080 WITH RESPECT TO HOURLY EMPLOYEES.

13 (E) "GROWTH INVESTMENT" MEANS ANY CAPITAL OR EQUITY INVESTMENT
14 IN A QUALIFIED BUSINESS OR ANY LOAN TO A QUALIFIED BUSINESS WITH A
15 STATED MATURITY AT LEAST 1 YEAR AFTER THE DATE OF ISSUANCE. A
16 SECURED LOAN OR THE PROVISION OF A REVOLVING LINE OF CREDIT TO A
17 QUALIFIED BUSINESS IS A GROWTH INVESTMENT ONLY IF THE RURAL JOBS
18 AND CAPITAL INVESTMENT FUND OBTAINS AN AFFIDAVIT FROM THE PRESIDENT
19 OR CHIEF EXECUTIVE OFFICER OR EQUIVALENT POSITION OF THE QUALIFIED
20 BUSINESS ATTESTING THAT THE QUALIFIED BUSINESS SOUGHT AND WAS
21 DENIED SIMILAR FINANCING FROM A COMMERCIAL BANK.

22 (F) "INVESTMENT AUTHORITY" MEANS THE AMOUNT STATED ON THE
23 CERTIFICATE UNDER SECTION 90M CERTIFYING THE RURAL JOBS AND CAPITAL
24 INVESTMENT FUND. A RURAL JOBS AND CAPITAL INVESTMENT FUND'S
25 INVESTMENT AUTHORITY SHALL BE COMPOSED OF EQUAL AMOUNTS OF GRANTS,
26 LOANS, OR OTHER TYPES OF ECONOMIC ASSISTANCE BY THE FUND AND
27 PRIVATE CONTRIBUTIONS.

1 (G) "NEW FULL-TIME EQUIVALENT EMPLOYEES" MEANS THE NUMBER OF
2 JOBS PERFORMED BY AN INDIVIDUAL WHO IS EMPLOYED FOR CONSIDERATION
3 FOR AT LEAST 35 HOURS OF WORK EACH WEEK BASED IN THIS STATE AND FOR
4 WHOM THE COMPANY, AN EMPLOYEE LEASING COMPANY, OR A PROFESSIONAL
5 EMPLOYER ORGANIZATION ON BEHALF OF THE COMPANY, OR OTHER ENTITY
6 AUTHORIZED UNDER THIS ACT, WITHHOLDS INCOME AND UNITED STATES
7 SOCIAL SECURITY TAXES.

8 (H) "PRINCIPAL BUSINESS OPERATIONS" MEANS THE OPERATIONS OF A
9 BUSINESS ARE LOCATED AT THE PLACE OR PLACES WHERE AT LEAST 60% OF
10 ITS EMPLOYEES WORK OR WHERE EMPLOYEES THAT ARE PAID AT LEAST 60% OF
11 ITS PAYROLL WORK. A BUSINESS THAT HAS AGREED TO RELOCATE OR HIRE
12 NEW EMPLOYEES USING THE PROCEEDS OF A GROWTH INVESTMENT TO
13 ESTABLISH ITS PRINCIPAL BUSINESS OPERATIONS IN A QUALIFIED RURAL
14 LOCAL GOVERNMENTAL UNIT IN THE STATE SHALL BE CONSIDERED TO HAVE
15 ITS PRINCIPAL BUSINESS OPERATIONS IN THIS NEW LOCATION PROVIDED IT
16 SATISFIES THIS DEFINITION WITHIN 180 DAYS AFTER RECEIVING THE
17 GROWTH INVESTMENT, UNLESS THE FUND AGREES TO A LATER DATE. A
18 BUSINESS LOCATED IN THIS STATE THAT HAS AGREED TO HIRE NEW
19 EMPLOYEES IN A QUALIFIED RURAL LOCAL GOVERNMENTAL UNIT USING THE
20 PROCEEDS OF A GROWTH INVESTMENT TO ESTABLISH ITS PRINCIPAL BUSINESS
21 OPERATIONS IN THAT QUALIFIED RURAL LOCAL GOVERNMENTAL UNIT SHALL BE
22 CONSIDERED TO HAVE ITS PRINCIPAL BUSINESS OPERATIONS IN A QUALIFIED
23 RURAL LOCAL GOVERNMENTAL UNIT PROVIDED IT HIRES THE NECESSARY
24 EMPLOYEES WITHIN 180 DAYS AFTER RECEIVING THE GROWTH INVESTMENT OR
25 A LATER DATE, IF AGREED TO BY THE FUND.

26 (I) "PRIVATE CONTRIBUTIONS" MEANS AN INVESTMENT OF CASH IN A
27 RURAL JOBS AND CAPITAL INVESTMENT FUND TO MATCH DOLLAR-FOR-DOLLAR

1 THE GRANTS, LOANS, OR OTHER TYPES OF ECONOMIC ASSISTANCE UP TO THE
2 INVESTMENT AUTHORITY OF THE RURAL JOBS AND CAPITAL INVESTMENT FUND.
3 A RURAL JOBS AND CAPITAL INVESTMENT FUND'S PRIVATE CONTRIBUTIONS
4 SHALL BE COMPOSED OF NOT LESS THAN 10% OF EQUITY INVESTMENTS.

5 (J) "QUALIFIED BUSINESS" MEANS AN OPERATING BUSINESS THAT, AT
6 THE TIME OF THE INITIAL INVESTMENT IN THE BUSINESS BY A RURAL JOBS
7 AND CAPITAL INVESTMENT FUND, HAS FEWER THAN 150 EMPLOYEES AND IS
8 ENGAGED IN INDUSTRIES ASSIGNED A NORTH AMERICAN INDUSTRY
9 CLASSIFICATION SYSTEM CODE WITHIN SECTORS 11, 21, 23, 31 THROUGH
10 33, 42, 48, 49, 54, EXCEPT 541110 THROUGH 541219, 56, 62, AND 81
11 OR, IF NOT ENGAGED IN ANY OF THESE INDUSTRIES, THE FUND DETERMINES
12 THAT THE INVESTMENT WILL BE BENEFICIAL TO THE RURAL AREA, THE
13 ECONOMIC GROWTH OF THIS STATE, AND THE INDUSTRY IS NOT ASSIGNED A
14 NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM CODE WITHIN SECTOR
15 51.

16 (K) "QUALIFIED RURAL LOCAL GOVERNMENTAL UNIT" MEANS A COUNTY
17 IN THIS STATE WITH A POPULATION OF 225,000 OR LESS.

18 (I) "REPAYMENT AMOUNT" MEANS AN AMOUNT EQUAL TO 50% OF A RURAL
19 JOBS AND CAPITAL INVESTMENT FUND'S INVESTMENT AUTHORITY, MINUS THE
20 SUM OF THE PRODUCT OF NEW FULL-TIME EQUIVALENT EMPLOYEES REPORTED
21 TO THE FUND FOR EACH OF THE RURAL JOBS AND CAPITAL INVESTMENT
22 FUND'S ANNUAL REPORTS SUBMITTED PURSUANT TO SECTION 90P AND THE
23 APPROPRIATE EARNED JOB FACTOR RATE.

24 (M) "RURAL JOBS AND CAPITAL INVESTMENT FUND" MEANS AN ENTITY
25 APPROVED BY THE FUND UNDER SECTION 90M THAT MEETS ALL OF THE
26 FOLLOWING:

27 (i) THE ENTITY OR ITS AFFILIATE MEETS ALL OF THE FOLLOWING:

1 (A) IS A RURAL BUSINESS INVESTMENT COMPANY UNDER 7 USC 2009CC
2 OR A SMALL BUSINESS INVESTMENT COMPANY UNDER 15 USC 68.

3 (B) IS REGISTERED AS AN INVESTMENT ADVISER UNDER 15 USC 80B-1
4 TO 80B-21.

5 (C) IS REGULATED BY THE SECURITIES AND EXCHANGE COMMISSION.

6 (ii) AS OF THE DATE OF THE APPLICATION, THE ENTITY OR ITS
7 AFFILIATES HAVE INVESTED AT LEAST \$100,000,000.00 IN NONPUBLIC
8 COMPANIES LOCATED IN COUNTIES THROUGHOUT THE UNITED STATES WITH A
9 POPULATION LESS THAN 50,000.

10 (iii) AS OF THE DATE OF THE APPLICATION, THE ENTITY OR ITS
11 AFFILIATES HAVE RECEIVED EQUITY INVESTMENTS FROM INVESTORS WHO ARE
12 NOT AFFILIATES OF THE APPLICANT IN AN AMOUNT EQUAL TO LEAST
13 \$100,000,000.00.

14 SEC. 90M. (1) BEGINNING 90 DAYS AFTER THE EFFECTIVE DATE OF
15 THE AMENDATORY ACT THAT ADDED THIS CHAPTER, AND IN EACH SUBSEQUENT
16 YEAR THROUGH 2029, THE FUND SHALL ACCEPT APPLICATIONS FOR APPROVAL
17 AS A RURAL JOBS AND CAPITAL INVESTMENT FUND. THE APPLICATION SHALL
18 INCLUDE ALL OF THE FOLLOWING:

19 (A) THE TOTAL INVESTMENT AUTHORITY SOUGHT BY THE APPLICANT.

20 (B) A COPY OF THE APPLICANT'S LICENSE SHOWING THAT THE ENTITY
21 OR ITS AFFILIATE IS A RURAL BUSINESS INVESTMENT COMPANY UNDER 7 USC
22 2009CC OR A SMALL BUSINESS INVESTMENT COMPANY UNDER 15 USC 68.

23 (C) EVIDENCE THAT AS OF THE DATE OF THE APPLICATION, THE
24 ENTITY OR ITS AFFILIATES HAVE INVESTED AT LEAST \$100,000,000.00 IN
25 NONPUBLIC COMPANIES LOCATED IN COUNTIES THROUGHOUT THE UNITED
26 STATES WITH A POPULATION LESS THAN 50,000.

27 (D) EVIDENCE THAT AS OF THE DATE OF THE APPLICATION, THE

1 ENTITY OR ITS AFFILIATES HAVE RECEIVED EQUITY INVESTMENTS FROM
2 INVESTORS WHO ARE NOT AFFILIATES OF THE APPLICANT IN AN AMOUNT
3 EQUAL TO LEAST \$100,000,000.00.

4 (E) A NONREFUNDABLE APPLICATION FEE OF \$10,000.00.

5 (2) THE FUND SHALL MAKE APPLICATION DETERMINATIONS WITHIN 60
6 BUSINESS DAYS FROM THE RECEIPT OF AN ADMINISTRATIVELY COMPLETE
7 APPLICATION AS DETERMINED BY THE FUND, IN THE ORDER IN WHICH THE
8 APPLICATIONS ARE RECEIVED. THE FUND SHALL CONSIDER APPLICATIONS
9 RECEIVED ON THE SAME DAY TO HAVE BEEN RECEIVED SIMULTANEOUSLY. THE
10 FUND SHALL NOT APPROVE MORE THAN \$30,000,000.00 IN INVESTMENT
11 AUTHORITY IN A CALENDAR YEAR, THROUGH 2029. IF REQUESTS FOR
12 INVESTMENT AUTHORITY RECEIVED SIMULTANEOUSLY WOULD RESULT IN THE
13 LIMITATION PROVIDED IN THIS SUBSECTION BEING EXCEEDED, THE FUND
14 SHALL PROPORTIONALLY ALLOT THE INVESTMENT AUTHORITY AND GRANTS,
15 LOANS, OR OTHER TYPES OF ECONOMIC ASSISTANCE AMONG THE APPROVED
16 APPLICATIONS. UPON APPROVAL OF AN APPLICATION, THE FUND AND THE
17 RURAL JOBS AND CAPITAL INVESTMENT FUND SHALL EXECUTE A WRITTEN
18 AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF THE GRANTS,
19 LOANS, OR OTHER TYPES OF ECONOMIC ASSISTANCE.

20 (3) THE FUND MAY DENY AN APPLICATION SUBMITTED UNDER THIS
21 SECTION ONLY FOR THE FOLLOWING REASONS:

22 (A) THE APPLICANT DOES NOT SATISFY ALL THE CRITERIA DESCRIBED
23 IN THIS SECTION.

24 (B) THE FUND HAS ALREADY APPROVED THE MAXIMUM AMOUNT OF
25 INVESTMENT AUTHORITY ALLOWED UNDER THIS SECTION.

26 (4) IF THE FUND DENIES AN APPLICATION, THE APPLICANT MAY
27 PROVIDE ADDITIONAL INFORMATION TO THE FUND WITHIN 5 DAYS OF THE

1 NOTICE OF DENIAL. THE FUND SHALL REVIEW AND RECONSIDER THE
2 APPLICATION AND ADDITIONAL INFORMATION WITHIN 30 DAYS. A
3 RECONSIDERED APPLICATION SHALL RETAIN THE ORIGINAL DATE OF RECEIPT
4 PROVIDED UNDER THIS SECTION FOR PURPOSES OF PRIORITY.

5 (5) A RURAL JOBS AND CAPITAL INVESTMENT FUND SHALL DO ALL OF
6 THE FOLLOWING:

7 (A) WITHIN 60 DAYS AFTER RECEIVING THE APPROVAL ISSUED UNDER
8 THIS SECTION, COLLECT PRIVATE CONTRIBUTIONS EQUAL TO 50% OF THE
9 RURAL JOBS AND CAPITAL INVESTMENT FUND'S INVESTMENT AUTHORITY.

10 (B) WITHIN 65 DAYS AFTER RECEIVING THE APPROVAL ISSUED UNDER
11 THIS SECTION, SEND TO THE FUND DOCUMENTATION SUFFICIENT TO PROVE
12 THAT THE AMOUNTS DESCRIBED IN SUBDIVISION (A) HAVE BEEN COLLECTED.

13 (6) IF THE RURAL JOBS AND CAPITAL INVESTMENT FUND FAILS TO
14 FULLY COMPLY WITH SUBSECTION (5), THE RURAL JOBS AND CAPITAL
15 INVESTMENT FUND'S APPROVAL IS FORFEITED, AND THE FUND SHALL FIRST
16 AWARD THE CORRESPONDING INVESTMENT AUTHORITY TO EXISTING APPLICANTS
17 WHO RECEIVED INVESTMENT AUTHORITY LOWER THAN THE AMOUNT REQUESTED
18 UNDER THIS SECTION AND THEN TO NEW APPLICANTS.

19 (7) THE FUND SHALL DISPERSE THE GRANTS, LOANS, OR OTHER TYPES
20 OF ECONOMIC ASSISTANCE TO THE RURAL JOBS AND CAPITAL INVESTMENT
21 FUND UPON RECEIPT AND APPROVAL OF THE DOCUMENTATION DESCRIBED IN
22 SUBSECTION (5) (B) WITHIN 21 BUSINESS DAYS.

23 SEC. 90N. (1) THE RURAL JOBS AND CAPITAL INVESTMENT CREATION
24 FUND IS CREATED WITHIN THE STATE TREASURY.

25 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM
26 ANY SOURCE FOR DEPOSIT INTO THE RURAL JOBS AND CAPITAL INVESTMENT
27 CREATION FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF

1 THE RURAL JOBS AND CAPITAL INVESTMENT CREATION FUND. THE STATE
2 TREASURER SHALL CREDIT TO THE RURAL JOBS AND CAPITAL INVESTMENT
3 CREATION FUND INTEREST AND EARNINGS FROM RURAL JOBS AND CAPITAL
4 INVESTMENT CREATION FUND INVESTMENTS.

5 (3) MONEY IN THE RURAL JOBS AND CAPITAL INVESTMENT CREATION
6 FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE RURAL JOBS
7 AND CAPITAL INVESTMENT CREATION FUND AND SHALL NOT LAPSE TO THE
8 GENERAL FUND.

9 (4) THE FUND SHALL BE THE ADMINISTRATOR OF THE RURAL JOBS AND
10 CAPITAL INVESTMENT CREATION FUND FOR AUDITING PURPOSES.

11 (5) THE FUND SHALL EXPEND MONEY FROM THE RURAL JOBS AND
12 CAPITAL INVESTMENT CREATION FUND, UPON APPROPRIATION, ONLY TO MAKE
13 GRANTS, LOANS, OR OTHER TYPES OF ECONOMIC ASSISTANCE TO RURAL JOBS
14 AND CAPITAL INVESTMENT FUNDS IN THIS STATE.

15 SEC. 900. (1) THE FUND SHALL DEMAND IMMEDIATE REPAYMENT OF THE
16 GRANTS, LOANS, OR OTHER TYPES OF ECONOMIC ASSISTANCE ISSUED UNDER
17 THIS CHAPTER IF ANY OF THE FOLLOWING OCCURS WITH RESPECT TO THE
18 RURAL JOBS AND CAPITAL INVESTMENT FUND BEFORE IT IS CERTIFIED TO
19 EXIT THE PROGRAM AS PROVIDED IN THIS CHAPTER:

20 (A) THE RURAL JOBS AND CAPITAL INVESTMENT FUND DOES NOT INVEST
21 ALL ITS INVESTMENT AUTHORITY IN GROWTH INVESTMENTS IN THIS STATE
22 WITHIN 3 YEARS OF THE CLOSING DATE WITH 100% OF ITS INVESTMENT
23 AUTHORITY INVESTED IN GROWTH INVESTMENTS IN QUALIFIED BUSINESSES
24 WITH PRINCIPAL BUSINESS OPERATIONS LOCATED IN QUALIFIED RURAL LOCAL
25 GOVERNMENTAL UNITS.

26 (B) THE RURAL JOBS AND CAPITAL INVESTMENT FUND, AFTER
27 SATISFYING SUBDIVISION (A), FAILS TO MAINTAIN GROWTH INVESTMENTS AT

1 THE LEVELS REQUIRED BY SUBDIVISION (A) UNTIL THE SIXTH ANNIVERSARY
2 OF THE CLOSING DATE. FOR THE PURPOSES OF THIS SUBDIVISION, AN
3 INVESTMENT IS MAINTAINED EVEN IF THE INVESTMENT IS SOLD OR REPAID
4 SO LONG AS THE RURAL JOBS AND CAPITAL INVESTMENT FUND REINVESTS AN
5 AMOUNT EQUAL TO THE CAPITAL RETURNED OR RECOVERED BY THE RURAL JOBS
6 AND CAPITAL INVESTMENT FUND FROM THE ORIGINAL INVESTMENT, EXCLUSIVE
7 OF ANY PROFITS REALIZED, IN OTHER GROWTH INVESTMENTS IN THIS STATE
8 WITHIN 12 MONTHS OF THE RECEIPT OF THAT CAPITAL. AMOUNTS RECEIVED
9 BY A RURAL JOBS AND CAPITAL INVESTMENT FUND PURSUANT TO PERIODIC
10 REPAYMENTS SHALL BE TREATED AS CONTINUALLY INVESTED IN GROWTH
11 INVESTMENTS IF THE AMOUNTS ARE REINVESTED IN 1 OR MORE GROWTH
12 INVESTMENTS BY THE END OF THE FOLLOWING CALENDAR YEAR. A RURAL JOBS
13 AND CAPITAL INVESTMENT FUND IS NOT REQUIRED TO REINVEST CAPITAL
14 RETURNED FROM GROWTH INVESTMENTS AFTER THE FIFTH ANNIVERSARY OF THE
15 CLOSING DATE, AND THOSE GROWTH INVESTMENTS SHALL BE CONSIDERED HELD
16 CONTINUOUSLY BY THE RURAL JOBS AND CAPITAL INVESTMENT FUND THROUGH
17 THE SIXTH ANNIVERSARY OF THE CLOSING DATE.

18 (C) THE RURAL JOBS AND CAPITAL INVESTMENT FUND, BEFORE EXITING
19 THE PROGRAM IN ACCORDANCE WITH THIS CHAPTER, MAKES A DISTRIBUTION
20 OR PAYMENT THAT RESULTS IN THE RURAL JOBS AND CAPITAL INVESTMENT
21 FUND HAVING LESS THAN 100% OF ITS INVESTMENT AUTHORITY INVESTED IN
22 GROWTH INVESTMENTS IN THIS STATE OR AVAILABLE FOR INVESTMENT IN
23 GROWTH INVESTMENTS AND HELD IN CASH AND OTHER MARKETABLE
24 SECURITIES.

25 (D) THE RURAL JOBS AND CAPITAL INVESTMENT FUND MAKES A GROWTH
26 INVESTMENT IN A QUALIFIED BUSINESS THAT DIRECTLY OR INDIRECTLY
27 THROUGH AN AFFILIATE OWNS, HAS THE RIGHT TO ACQUIRE AN OWNERSHIP

1 INTEREST, MAKES A LOAN TO, OR MAKES AN INVESTMENT IN THE RURAL JOBS
2 AND CAPITAL INVESTMENT FUND, AN AFFILIATE OF THE RURAL JOBS AND
3 CAPITAL INVESTMENT FUND, OR AN INVESTOR IN THE RURAL JOBS AND
4 CAPITAL INVESTMENT FUND. THIS SECTION DOES NOT APPLY TO INVESTMENTS
5 IN PUBLIC-TRADED SECURITIES. FOR PURPOSES OF THIS SUBDIVISION, A
6 RURAL JOBS AND CAPITAL INVESTMENT FUND WILL NOT BE CONSIDERED AN
7 AFFILIATE OF A BUSINESS SOLELY BECAUSE OF ITS GROWTH INVESTMENT.

8 (E) THE RURAL JOBS AND CAPITAL INVESTMENT FUND INVESTS IN ANY
9 INDUSTRY ASSIGNED A NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM
10 CODE WITHIN SECTOR 51.

11 (2) NO MORE THAN \$5,000,000.00 IN GROWTH INVESTMENTS IN A
12 QUALIFIED BUSINESS, INCLUDING GROWTH INVESTMENTS IN AFFILIATES OF
13 THE QUALIFIED BUSINESS, SHALL COUNT TOWARD THE REQUIREMENTS OF
14 SUBSECTION (1) (A) AND (B) .

15 (3) BEFORE DEMANDING REPAYMENT UNDER THIS SECTION, THE FUND
16 SHALL NOTIFY THE RURAL JOBS AND CAPITAL INVESTMENT FUND OF THE
17 REASONS FOR THE PENDING REPAYMENT. THE RURAL JOBS AND CAPITAL
18 INVESTMENT FUND SHALL HAVE 90 DAYS FROM THE DATE THE NOTICE WAS
19 DISPATCHED TO CORRECT ANY VIOLATION OUTLINED IN THE NOTICE TO THE
20 SATISFACTION OF THE FUND AND AVOID REPAYMENT OF THE GRANTS, LOANS,
21 OR OTHER TYPES OF ECONOMIC ASSISTANCE.

22 SEC. 90P. (1) A RURAL JOBS AND CAPITAL INVESTMENT FUND SHALL
23 SUBMIT AN ANNUAL REPORT TO THE FUND ON OR BEFORE THE LAST DAY OF
24 FEBRUARY OF EACH YEAR UNTIL THE RURAL JOBS AND CAPITAL INVESTMENT
25 FUND HAS EXITED THE PROGRAM IN ACCORDANCE WITH THIS CHAPTER. THE
26 ANNUAL REPORT SHALL PROVIDE DOCUMENTATION AS TO THE RURAL JOBS AND
27 CAPITAL INVESTMENT FUND'S GROWTH INVESTMENTS AND INCLUDE ALL OF THE

1 FOLLOWING:

2 (A) A BANK STATEMENT EVIDENCING EACH GROWTH INVESTMENT.

3 (B) THE NAME, LOCATION, AND INDUSTRY OF EACH QUALIFIED
4 BUSINESS RECEIVING A GROWTH INVESTMENT, INCLUDING EITHER THE
5 DETERMINATION LETTER SET FORTH IN SECTION 900 OR EVIDENCE THAT THE
6 BUSINESS WAS A QUALIFIED BUSINESS AT THE TIME THE GROWTH INVESTMENT
7 WAS MADE.

8 (C) THE NUMBER OF NEW FULL-TIME EQUIVALENT EMPLOYEES AND THE
9 CORRESPONDING EARNED JOB FACTOR AT THE QUALIFIED BUSINESS IN THIS
10 STATE.

11 (D) THE NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES AT THE
12 QUALIFIED BUSINESS ON THE DATE OF RECEIPT OF THE INITIAL GROWTH
13 INVESTMENT IN THIS STATE.

14 (E) ANY OTHER INFORMATION REQUIRED BY THE FUND.

15 (2) WITHIN 60 DAYS OF RECEIPT OF AN ANNUAL REPORT, THE FUND
16 SHALL PROVIDE WRITTEN CONFIRMATION TO THE RURAL JOBS AND CAPITAL
17 INVESTMENT FUND OF THE NEW FULL-TIME EQUIVALENT EMPLOYEES THE RURAL
18 JOBS AND CAPITAL INVESTMENT FUND HAS BEEN CREDITED FOR THAT YEAR.

19 (3) BY THE FIFTH BUSINESS DAY AFTER THE THIRD ANNIVERSARY OF
20 THE CLOSING DATE, A RURAL JOBS AND CAPITAL INVESTMENT FUND SHALL
21 SUBMIT A REPORT TO THE FUND EVIDENCING ITS COMPLIANCE WITH THE
22 INVESTMENT REQUIREMENTS OF THIS CHAPTER.

23 (4) THE FUND MAY ADOPT RULES NECESSARY TO IMPLEMENT THIS
24 CHAPTER.

25 (5) THE FUND SHALL SUBMIT AN ANNUAL REPORT TO EACH HOUSE OF
26 THE LEGISLATURE ON OR BEFORE APRIL 1, 2020. THE ANNUAL REPORT SHALL
27 INCLUDE ALL OF THE FOLLOWING:

1 (A) THE NAME AND NUMBER OF ALL THE RURAL JOBS AND CAPITAL
2 INVESTMENT FUNDS APPROVED TO PARTICIPATE IN THE PROGRAM.

3 (B) THE AMOUNT OF INVESTMENT AUTHORITY AWARDED TO EACH RURAL
4 JOBS AND CAPITAL INVESTMENT FUND.

5 (C) ANY INVESTMENTS MADE BY THE RURAL JOBS AND CAPITAL
6 INVESTMENT FUNDS, INCLUDING THE LOCATION OF THE INVESTMENTS.

7 (D) WHETHER THE RURAL JOBS AND CAPITAL INVESTMENT FUNDS ARE IN
8 COMPLIANCE WITH THIS CHAPTER.

9 (E) ANY OTHER INFORMATION REQUIRED BY THE FUND.

10 SEC. 90Q. (1) THE FUND SHALL CHARGE AN ANNUAL FEE OF 0.5% OF
11 THE INVESTMENT AUTHORITY AUTHORIZED FOR THAT RURAL JOBS AND CAPITAL
12 INVESTMENT FUND.

13 (2) THE INITIAL ANNUAL FEE IS DUE AND PAYABLE TO THE FUND
14 WITHIN 1 BUSINESS DAY OF RECEIPT OF A GRANT, LOAN, OR OTHER TYPE OF
15 ECONOMIC ASSISTANCE. AFTER THE INITIAL ANNUAL FEE, AN ANNUAL FEE IS
16 DUE AND PAYABLE TO THE FUND ON OR BEFORE THAT LAST DAY OF FEBRUARY
17 OF EACH YEAR.

18 (3) AN ANNUAL FEE IS NOT REQUIRED ONCE A RURAL JOBS AND
19 CAPITAL INVESTMENT FUND HAS EXITED THE PROGRAM IN ACCORDANCE WITH
20 THIS CHAPTER.

21 SEC. 90R. (1) ON OR AFTER THE SIXTH ANNIVERSARY OF THE CLOSING
22 DATE, A RURAL JOBS AND CAPITAL INVESTMENT FUND MAY EXIT THE PROGRAM
23 AND NO LONGER BE SUBJECT TO THE PROVISIONS OF THIS CHAPTER. THE
24 FUND SHALL RESPOND TO THE APPLICATION WITHIN 30 DAYS OF RECEIPT AND
25 INCLUDE A CALCULATION OF ANY REPAYMENT AMOUNT DUE.

26 (2) NO DISTRIBUTIONS OTHER THAN THOSE PERMITTED BY SECTION
27 90O(1)(B) MAY BE MADE WITH RESPECT TO THE EQUITY INTERESTS OF THE

1 RURAL JOBS AND CAPITAL INVESTMENT FUND MORE THAN THE SUM OF THE
2 AMOUNT OF EQUITY CAPITAL INVESTED INTO THE RURAL JOBS AND CAPITAL
3 INVESTMENT FUND WITH RESPECT TO THE EQUITY INTERESTS AND AN AMOUNT
4 EQUAL TO ANY PROJECTED INCREASE IN THE FEDERAL OR STATE TAX
5 LIABILITY OF HOLDERS OF THOSE INTERESTS RELATED TO THE OWNERSHIP OF
6 THE RURAL JOBS AND CAPITAL INVESTMENT FUND UNTIL THE RURAL JOBS AND
7 CAPITAL INVESTMENT FUND HAS MADE PAYMENTS TO THE FUND EQUAL TO THE
8 REPAYMENT AMOUNT.