

**SUBSTITUTE FOR
HOUSE BILL NO. 4160**

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 88b (MCL 125.2088b), as amended by 2010 PA 271.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 88b. (1) The fund shall create and operate programs
2 authorized under this chapter. The fund board shall determine the
3 annual allocation of money for programs authorized under this
4 chapter and make authorized expenditures or investments from the
5 investment fund of the 21st century jobs trust fund created in the
6 Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, as
7 authorized under this chapter for programs and activities
8 authorized under this chapter.

9 (2) Money transferred or appropriated by law to the fund for

1 the purposes of carrying out this chapter shall be expended or
2 invested by the fund as authorized by law for the following
3 purposes:

4 (a) 21st century investments.

5 (b) Grants and loans approved by the commercialization board
6 under section 88k.

7 (c) Other programs or activities authorized under this
8 chapter.

9 (d) For **PROMOTION OF TOURISM IN THIS STATE. FOR** fiscal year
10 2010-2011 only, ~~\$10,000,000.00~~ **\$20,000,000.00** for the promotion of
11 tourism in this state from funds appropriated in the jobs for
12 Michigan investment program - 21st century jobs fund line in
13 section 109 of 2010 PA 191 with not less than \$1,500,000.00 to be
14 used for the 2010-2011 winter advertisement buy. **FOR ALL FUNDS USED**
15 **FOR PROMOTION OF TOURISM IN THIS STATE UNDER THIS SUBDIVISION, THE**
16 **FUND SHALL REPORT TO THE LEGISLATURE AT THE SAME TIME AND IN THE**
17 **SAME MANNER AS PROVIDED IN SECTION 89D.**

18 (3) Except for the appropriations described in section 88j(3)
19 and as otherwise provided in section 88q, for fiscal years other
20 than the 2008-2009 and 2009-2010 fiscal years the fund board shall
21 not expend more than the following amounts each year from the 21st
22 century jobs trust fund created in the Michigan trust fund act,
23 2000 PA 489, MCL 12.251 to 12.260, for the following purposes:

24 (a) 25% for the loan enhancement program.

25 (b) 40% for the private equity investment program, the venture
26 capital investment program, and the mezzanine investment program
27 combined.

1 (c) 70% for competitive edge technology grants and loans under
2 section 88k. The commercialization board shall not authorize the
3 expenditure of more than \$100,000,000.00 of the amount described in
4 this subdivision for basic research over the life of the program.

5 (4) Not more than 4% of the annual appropriation as provided
6 by law from the 21st century jobs trust fund created in the
7 Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, may be
8 used for the purposes of administering the programs and activities
9 authorized under this chapter. However, the fund and the fund board
10 shall not use more than 3% of the annual appropriation for
11 administering the programs and activities authorized under this
12 chapter unless the fund board by a 2/3 vote authorizes the
13 additional 1% for administration.

14 (5) Not more than 5% of the annual appropriation as provided
15 by law from the 21st century jobs trust fund created in the
16 Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, may be
17 used for business development and business marketing costs. Not
18 less than 80% of the funds committed for business development and
19 business marketing costs shall be targeted to persons or entities
20 outside of this state. No funds may be used for any business
21 development and business marketing effort that includes a reference
22 to or the image or voice of an elected state officer or a candidate
23 for elective state office and that is targeted to a media market in
24 Michigan. The fund board shall select all vendors for all marketing
25 expenditures under this chapter by issuing a request for proposal.
26 At a minimum, the request for proposal shall require the responding
27 entities to disclose any conflict of interest, disclose any

1 criminal convictions, disclose any investigations by the internal
2 revenue service or any other federal or state taxing body or court,
3 disclose any pertinent litigation regarding the conduct of the
4 entity, and maintain records and evidence pertaining to work
5 performed. The fund board shall establish a standard process to
6 evaluate proposals submitted as a result of a request for proposal
7 and appoint a committee to review the proposals. The fund or the
8 fund board shall not appoint or designate any person paid or unpaid
9 to a committee to review proposals if that person has a conflict of
10 interest with any potential vendors as determined by the office of
11 the chief compliance officer established in section 88i.

12 (6) The fund shall not use any money appropriated or
13 transferred for purposes authorized under this chapter to acquire
14 interests in or improve real property. The restriction under this
15 subsection applies only to the fund and not to recipients of
16 expenditures or investments under this chapter.