

**SUBSTITUTE FOR
HOUSE BILL NO. 5652**

A bill to amend 2003 PA 296, entitled
"Michigan early stage venture investment act of 2003,"
by amending sections 7, 31, and 33 (MCL 125.2237, 125.2261, and
125.2263), section 7 as amended by 2015 PA 192 and section 31 as
amended by 2015 PA 193.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. The articles of incorporation of a Michigan early
2 stage venture investment corporation ~~shall~~**must** contain all of the
3 following:

4 (a) The purposes of the corporation, which ~~shall~~**must** include,
5 but are not limited to, all of the following:

6 (i) To operate and act exclusively for charitable purposes with
7 the intent to lessen the financial burdens of the government of

1 this state.

2 (ii) To receive and administer funds for the charitable
3 purposes under subparagraph (i).

4 (iii) To raise capital and invest that capital in venture
5 capital firms with the intent of benefiting Michigan's seed or
6 early stage businesses.

7 (iv) To promote the economic health of this state by assisting
8 in the creation of new jobs, new businesses, and new industries
9 within this state and through the investment in certain businesses.

10 (v) To enter into an agreement with this state to promote the
11 economic health of this state.

12 (b) A provision that the Michigan early stage venture
13 investment corporation ~~shall~~**must** be governed by a board of
14 directors that complies with the requirements in section 13.

15 (c) A provision that provides ~~that, upon~~**for all of the**
16 **following:**

17 (i) **If, on June 30, 2024, a Michigan early stage venture**
18 **investment corporation has 1 or more Michigan early stage venture**
19 **investment funds with realized earned returns on investments as of**
20 **June 30, 2024, the board of the Michigan early stage venture**
21 **investment corporation shall enter into an agreement with the**
22 **department of treasury to distribute to the state treasurer**
23 **\$60,000,000.00 of the earned returns for deposit in the 21st**
24 **century jobs trust fund established in section 7 of the Michigan**
25 **trust fund act, 2000 PA 489, MCL 12.257, and the remainder of the**
26 **earned returns for deposit in the general fund of this state.**

27 (ii) **For each year after December 31, 2024, if a Michigan early**
28 **stage venture investment corporation has 1 or more Michigan early**
29 **stage venture investment funds with realized earned returns on**

1 investments as of June 30 of that year, the board of the Michigan
 2 early stage venture investment corporation shall enter into an
 3 agreement with the department of treasury to distribute the earned
 4 returns as of June 30 of that year to the state treasurer for
 5 deposit in the general fund of this state.

6 (iii) On dissolution of the Michigan early stage venture
 7 investment corporation, the property remaining after providing for
 8 debts and obligations of the Michigan early stage venture
 9 investment corporation ~~shall must~~ be distributed with the first
 10 \$140,000,000.00 going to **deposited in** the general fund of this
 11 state. and any remaining going to the 21st century jobs trust fund
 12 established in section 7 of the Michigan trust fund act, 2000 PA
 13 489, MCL 12.257. For purposes of this subdivision, property
 14 remaining after providing for debts and obligations does not
 15 include grants, appropriations, or other restricted funds that must
 16 be distributed as required by the source of those funds.

17 Sec. 31. ~~The A~~ fund created in section 19 ~~shall expire expires~~
 18 on **the date determined by the board of the Michigan early stage**
 19 **investment corporation that established the fund, which date must**
 20 **be after** January 1, 2030. Any money in the fund **on expiration of**
 21 **the fund**, subject to all outstanding debts and obligation of the
 22 Michigan early stage venture investment corporation being defeased
 23 and satisfied, ~~shall must~~ be distributed with the first
 24 \$140,000,000.00 going to **deposited in** the general fund of this
 25 state. and any remaining going to the 21st century jobs trust fund
 26 established in section 7 of the Michigan trust fund act, 2000 PA
 27 489, MCL 12.257.

28 Sec. 33. ~~This act does not take effect unless all of the~~
 29 ~~following bills of the 92nd Legislature are enacted into law:~~

1 ~~(a) Senate Bill No. 835.~~

2 ~~(b) House Bill No. 5322.~~ **Notwithstanding anything to the**
3 **contrary in this act, both of the following apply:**

4 **(a) If, on June 30, 2024, a Michigan early stage venture**
5 **investment corporation has 1 or more Michigan early stage venture**
6 **investment funds with realized earned returns on investments as of**
7 **June 30, 2024, the board of the Michigan early stage venture**
8 **investment corporation shall enter into an agreement with the**
9 **department of treasury to distribute to the state treasurer**
10 **\$60,000,000.00 of the earned returns for deposit in the 21st**
11 **century jobs trust fund established in section 7 of the Michigan**
12 **trust fund act, 2000 PA 489, MCL 12.257, and the remainder of the**
13 **earned returns for deposit in the general fund of this state.**

14 **(b) For each year after December 31, 2024, if a Michigan early**
15 **stage venture investment corporation has 1 or more Michigan early**
16 **stage venture investment funds with realized earned returns on**
17 **investments as of June 30 of that year, the board of the Michigan**
18 **early stage venture investment corporation shall enter into an**
19 **agreement with the department of treasury to distribute the earned**
20 **returns as of June 30 of that year to the state treasurer for**
21 **deposit in the general fund of this state.**

22 Enacting section 1. This amendatory act does not take effect
23 unless all of the following bills of the 102nd Legislature are
24 enacted into law:

25 (a) House Bill No. 5651.

26 (b) House Bill No. 5653.