

Act No. 189  
Public Acts of 2024  
Approved by the Governor  
January 13, 2025  
Filed with the Secretary of State  
January 14, 2025  
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**STATE OF MICHIGAN  
102ND LEGISLATURE  
REGULAR SESSION OF 2024**

Introduced by Reps. Hoskins, Farhat, VanWoerkom and Miller

# ENROLLED HOUSE BILL No. 5652

AN ACT to amend 2003 PA 296, entitled “An act to promote investment in certain businesses; to promote economic development in this state; to provide for a Michigan early stage venture investment corporation; to prescribe the powers and duties of a Michigan early stage venture investment corporation; to prescribe the powers and duties of certain public officers and departments; to establish the Michigan early stage venture investment fund and other funds; to provide for tax credits and incentives; to authorize certain investments; to provide for the expiration of the fund; to provide or allow for appropriations; and to provide penalties and remedies,” 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:*

Sec. 7. The articles of incorporation of a Michigan early stage venture investment corporation must contain all of the following:

- (a) The purposes of the corporation, which must include, but are not limited to, all of the following:
  - (i) To operate and act exclusively for charitable purposes with the intent to lessen the financial burdens of the government of this state.
  - (ii) To receive and administer funds for the charitable purposes under subparagraph (i).
  - (iii) To raise capital and invest that capital in venture capital firms with the intent of benefiting Michigan’s seed or early stage businesses.
  - (iv) To promote the economic health of this state by assisting in the creation of new jobs, new businesses, and new industries within this state and through the investment in certain businesses.
  - (v) To enter into an agreement with this state to promote the economic health of this state.
- (b) A provision that the Michigan early stage venture investment corporation must be governed by a board of directors that complies with the requirements in section 13.
- (c) A provision that provides for all of the following:
  - (i) If, on June 30, 2024, a Michigan early stage venture investment corporation has 1 or more Michigan early stage venture investment funds with realized earned returns on investments as of June 30, 2024, the board of the Michigan early stage venture investment corporation shall enter into an agreement with the department of treasury to distribute to the state treasurer \$60,000,000.00 of the earned returns for deposit in the 21st century jobs trust fund established in section 7 of the Michigan trust fund act, 2000 PA 489, MCL 12.257, and the remainder of the earned returns for deposit in the general fund of this state.
  - (ii) For each year after December 31, 2024, if a Michigan early stage venture investment corporation has 1 or more Michigan early stage venture investment funds with realized earned returns on investments as of June 30 of that year, the board of the Michigan early stage venture investment corporation shall enter into an agreement with the department of treasury to distribute the earned returns as of June 30 of that year to the state treasurer for deposit in the general fund of this state.

(iii) On dissolution of the Michigan early stage venture investment corporation, the property remaining after providing for debts and obligations of the Michigan early stage venture investment corporation must be deposited in the general fund of this state. For purposes of this subdivision, property remaining after providing for debts and obligations does not include grants, appropriations, or other restricted funds that must be distributed as required by the source of those funds.

Sec. 31. A fund created in section 19 expires on the date determined by the board of the Michigan early stage investment corporation that established the fund, which date must be after January 1, 2030. Any money in the fund on expiration of the fund, subject to all outstanding debts and obligation of the Michigan early stage venture investment corporation being defeased and satisfied, must be deposited in the general fund of this state.

Sec. 33. Notwithstanding anything to the contrary in this act, both of the following apply:

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

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

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

- (a) House Bill No. 5651.
- (b) House Bill No. 5653.



Clerk of the House of Representatives



Secretary of the Senate

Approved \_\_\_\_\_

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Governor