

HOUSE BILL NO. 4998

September 18, 2025, Introduced by Reps. Rogers, Roth, Bierlein, VanWoerkom, VanderWall, Glanville, Grant, Tsernoglou, Longjohn, Brixie, Rheingans, T. Carter, Skaggs, Wooden, Conlin, Myers-Phillips, Weiss, Mentzer, Price, Cavitt, MacDonell, Wozniak, Byrnes, Herzberg and Morgan and referred to Committee on Economic Competitiveness.

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 9 (MCL 125.2009), as amended by 2024 PA 117,
and by adding chapter 8H.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) The fund shall transmit to each member of the
2 legislature, the governor, the clerk of the house of
3 representatives, the secretary of the senate, and the senate and
4 house fiscal agencies annually a report of its activities. The
5 report must be transmitted not later than April 10 of each year for

1 activities in the immediately preceding state fiscal year. The
2 report must not include information exempt from disclosure under
3 section 5. The report must include, but is not limited to, all of
4 the following for each program operated under this act:

5 (a) A list of entities that received financial assistance.

6 (b) The type of project or product being financed.

7 (c) The amount and type of financial assistance.

8 (d) For each separate form of financial assistance, all of the
9 following:

10 (i) The number of new jobs committed or projected when the
11 financial assistance was applied for.

12 (ii) The number of retained jobs committed or projected when
13 the financial assistance was applied for.

14 (iii) The actual number of new jobs created that are not
15 temporary employees.

16 (iv) The actual number of retained jobs that are not temporary
17 employees.

18 (v) The average annual salary of the new jobs created that are
19 not temporary employees.

20 (vi) The average annual salary of the retained jobs that are
21 not temporary employees.

22 (e) The duration of the financial assistance.

23 (f) The amount of financial support other than state
24 resources.

25 (g) Money or other revenue or property returned to the fund,
26 including any repayments through a clawback provision in the
27 agreement.

28 (h) The status of all loans of the fund.

29 (i) A list of all entities that are in bankruptcy, of which

1 the fund has received actual notice, filed by a direct recipient of
 2 an active single incentive of not less than \$500,000.00. In
 3 addition, the fund shall, ~~within~~ **not later than** 120 days after the
 4 fund receives notice, provide a report of the notice of bankruptcy
 5 on its website and forward the report to each of the following:

6 (i) The senate majority leader and the senate minority leader.

7 (ii) The speaker of the house and the house minority leader.

8 (iii) The members of the house ~~commerce and tourism~~ **economic**
 9 **competitiveness** committee.

10 (iv) The members of the house appropriations subcommittee on
 11 ~~general government~~ **labor, economic development, and lifelong**
 12 **learning**.

13 (v) The members of the senate economic and ~~small business~~
 14 **community** development committee.

15 (vi) The members of the senate appropriations subcommittee on
 16 ~~general government~~ **LEO/MEDC**.

17 (j) A summary of the approximate administrative costs used to
 18 administer the programs and activities authorized under this act.

19 (k) Any other information as required by this section.

20 (2) The auditor general or a certified public accountant
 21 appointed by the auditor general annually shall conduct and remit
 22 to the legislature an audit of the fund and, in the conduct of the
 23 audit, shall have access to all records of the fund at any time,
 24 whether or not confidential. Each audit required by this section
 25 must include a determination of whether the fund is likely to be
 26 able to continue to meet its obligations, including a report on the
 27 status of outstanding loans and agreements made by the fund.

28 (3) The fund shall also transmit the audit described in
 29 subsection (2) to the chairperson and minority vice-chairperson of

1 the senate appropriations subcommittee on general government and
2 the house of representatives appropriations subcommittee on general
3 government. The fund shall make the report and audit available to
4 the public on the fund's website.

5 (4) The report described in subsection (1) must also contain
6 all of the following that are related to a 21st century investment
7 made by the fund board under chapter 8A:

8 (a) The amount of qualified venture capital fund investments,
9 qualified mezzanine fund investments, and qualified private equity
10 fund investments under management in this state, including year-to-
11 year growth.

12 (b) The value of loan enhancement program investments,
13 qualified private equity fund investments, qualified mezzanine fund
14 investments, and qualified venture capital investments in qualified
15 businesses, including year-to-year growth.

16 (c) A statement of the amount of money in each loan reserve
17 fund established under the small business capital access program
18 required under chapter 8A.

19 (5) The report described in subsection (1) must also include,
20 but is not limited to, all of the following for all actions under
21 section 88r:

22 (a) The total actual amount of qualified investment attracted
23 under section 88r as reported to the fund.

24 (b) The total actual number of new jobs created under section
25 88r as reported to the fund.

26 (c) The actual amount of the grant, loan, or other economic
27 assistance made under section 88r separately for each qualified
28 business verified by the fund.

29 (d) For each qualified business, whether it is a new business,

1 whether it is an expansion of an existing business, or whether it
2 relocated from outside of this state.

3 (e) An evaluation of the aggregate return on investment that
4 this state realizes on the actual qualified new jobs and actual
5 qualified investment made by qualified businesses.

6 (6) The report described in subsection (1) must also include,
7 but is not limited to, all of the following for all actions under
8 chapter 8B:

9 (a) For tourism promotion efforts, all of the following:

10 (i) An itemized list, by market, of how much was spent, types
11 of media purchased, and target of the tourism promotion campaign.

12 (ii) The return on investment analysis that utilizes existing
13 baseline data and compares results with prior outcome evaluations
14 funded by Travel Michigan.

15 (b) For business development efforts, all of the following:

16 (i) An itemized list, by market, of how much was spent, types
17 of media purchased, and target of the business promotion campaign.

18 (ii) A performance analysis that compares the program or
19 campaign objectives and outcome of the campaign or program.

20 (7) The report described in subsection (1) must also include,
21 but is not limited to, all of the following for all actions under
22 section 90d:

23 (a) The total actual amount of private investment attracted
24 under section 90d as reported to the fund.

25 (b) The actual amount of the community revitalization
26 incentives made under chapter 8C separately for each project.

27 (c) The total actual amount of square footage revitalized or
28 added for each project approved under section 90d as reported to
29 the fund. When reporting square footage, the person must report the

1 square footage by category, including, but not limited to,
 2 commercial, residential, or retail.

3 (d) The aggregate increase in taxable value of all property
 4 subject to a written agreement under chapter 8C when established
 5 and recorded by the local units of government and as reported to
 6 the fund.

7 (e) The total actual number of residential units revitalized
 8 or added for each project approved under section 90d as reported to
 9 the fund.

10 (f) Each project that received a community revitalization
 11 incentive outside the fund program standards and guidelines and why
 12 the variance was given.

13 (8) Beginning on and after January 1, 2012, on a monthly basis
 14 the fund shall provide exact copies of all information regarding
 15 all actions under chapter 8C that is provided to board members of
 16 the fund for the purpose of monthly board meetings, subject to
 17 confidentiality under section 5, to each of the following and post
 18 that information on the fund's website:

19 (a) The chairperson and minority vice-chairperson of the house
 20 ~~commerce and tourism~~ **economic competitiveness** committee.

21 (b) The chairperson and minority vice-chairperson of the house
 22 appropriations subcommittee on ~~general government~~ **labor and**
 23 **economic opportunity**.

24 (c) The chairperson and minority vice-chairperson of the
 25 senate economic and ~~small business~~ **community** development committee.

26 (d) The chairperson and minority vice-chairperson of the
 27 senate appropriations subcommittee on ~~general government~~ **LEO/MEDC**.

28 (9) The report described in subsection (1) must also include a
 29 summary of the approximate administrative costs used to administer

1 the programs and activities authorized in the following sections:

2 (a) Section 88b.

3 (b) Section 88h.

4 (c) Section 90b.

5 (10) The report described in subsection (1) must also include,
6 but is not limited to, all of the following for all actions for
7 business incubators approved by the fund after January 14, 2015:

8 (a) The number of new jobs created and projected new job
9 growth by current clients of the business incubator.

10 (b) Amounts of other funds leveraged by current clients of the
11 business incubator.

12 (c) Increases in revenue for current clients of the business
13 incubator.

14 (11) The report described in subsection (1) must also include
15 the actual repayments received by the fund for failure to comply
16 with clawback provisions of the written agreement under all of the
17 following:

18 (a) Section 78.

19 (b) Section 88d.

20 (c) Section 88k.

21 (d) Section 88q.

22 (e) Section 88r.

23 (f) Section 90b.

24 (12) Beginning on July 1, 2015, the fund shall post on the
25 fund's website a list of each contract, agreement, or other written
26 loan or grant documentation for financial assistance under sections
27 88r and 90b that the fund entered into or modified in the
28 immediately preceding fiscal year.

29 (13) Beginning on July 1, 2015, the fund shall post and update

1 periodically all of the following on its website for all loans made
2 under sections 88r and 90b:

3 (a) A description of the project for which the loan was made.

4 (b) The total amount of the loan.

5 (c) Whether payments on the loan balance are current or
6 delinquent.

7 (d) The interest rate of the loan.

8 (14) Beginning July 1, 2015, the report described in
9 subsection (1) must also contain all of the following for each
10 program that provides financial assistance under this act that
11 requires a site visit:

12 (a) A copy of the site visit guidelines for that program.

13 (b) The number of site visits conducted under that program.

14 (c) The chief compliance officer shall review and evaluate
15 compliance with the site visit guidelines.

16 (15) The fund shall post on its website and update
17 periodically all of the information described in subsection (14).

18 (16) The report described in subsection (1) must also include,
19 but is not limited to, all of the following for all written
20 agreements related to the good jobs for Michigan program created
21 under chapter 8D:

22 (a) The name of the authorized business.

23 (b) The number of certified new jobs required to be
24 maintained.

25 (c) The amount and duration of the withholding tax capture
26 revenues.

27 (17) The report described in subsection (1) must also include
28 the activities of the critical industry program described in
29 section 88s.

(18) The report described in subsection (1) must also include the activities of the Michigan strategic site readiness program described in section 88t.

(19) The report described in subsection (1) must also include the activities of the Michigan nonprofit development center program created under chapter 8H.

(20) ~~(19)~~—The fund shall cooperate with the department of treasury and assist in preparing the report required under section 718 of the income tax act of 1967, 1967 PA 281, MCL 206.718.

(21) ~~(20)~~—As used in this section, "financial assistance" means grants, loans, other economic assistance, and any other incentives or assistance under this act.

CHAPTER 8H

Sec. 90jj. As used in this chapter:

(a) "ND fund" means the Michigan nonprofit development fund created in section 90nn.

(b) "Nonprofit assistance and services" means the training and technical assistance services described in section 90//.

(c) "Nonprofit entity" means a corporation that meets both of the following requirements:

(i) Is either of the following:

(A) A nonprofit corporation incorporated in this state under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

(B) A nonprofit corporation incorporated under the laws of another state and qualified to do business in this state.

(ii) Is exempt from federal income tax under section 501(c)(3) or (6) of the internal revenue code of 1986, 26 USC 501.

(d) "Nonprofit, interest-free, micro bridge loan" means an

1 interest-free loan to a qualifying nonprofit entity that has
2 received written confirmation of funding from a government grant or
3 contract but has not yet received the funding as described in
4 section 90mm.

5 (e) "Program" means the Michigan nonprofit development center
6 program created under section 90kk.

7 (f) "Qualifying nonprofit entity" means a nonprofit entity
8 that meets all of the following requirements:

9 (i) Has annual revenues of not more than \$1,000,000.00. In
10 determining annual revenues under this subparagraph, money received
11 from a grant or loan must not be included.

12 (ii) Has been in existence for at least 5 years.

13 (iii) Has the principal purpose of providing health,
14 educational, environmental, agricultural, arts and culture, or
15 social services through community-based programs.

16 Sec. 90kk. (1) The fund shall create the Michigan nonprofit
17 development center program to foster, support, and assist the
18 economic growth and revitalization of qualifying nonprofit entities
19 in this state by providing both of the following:

20 (a) Nonprofit assistance and services.

21 (b) Nonprofit interest-free, micro bridge loans.

22 (2) The program shall be operated and administered by the
23 authorized employees, officers, and agents of the fund, which may
24 include employees of the department of labor and economic
25 opportunity or through a statewide nonprofit membership
26 organization as described under section 90// (2).

27 Sec. 90//. (1) The program must provide assistance to
28 qualifying nonprofit entities, including both of the following:

29 (a) Operation of an information exchange governing current and

1 new technical information and data about all aspects of nonprofit
2 management, including, but not limited to, all of the following:

- 3 (i) Nonprofit start-up.
- 4 (ii) Budgeting and financial management.
- 5 (iii) Facilities development and management.
- 6 (iv) Board development.
- 7 (v) Organizational development and strategic planning.
- 8 (vi) Marketing.
- 9 (vii) Federal and state contracting and grant making.
- 10 (viii) Individual, corporate, and foundation fund-raising.
- 11 (ix) Volunteer management.
- 12 (x) Personnel management.
- 13 (xi) Federal and state tax law and regulations.
- 14 (xii) Federal and state law and regulations governing
15 charitable solicitations.
- 16 (xiii) Federal and state regulations applicable to licensing or
17 accreditation.
- 18 (xiv) Federal and state financing programs.
- 19 (xv) Information technology.

20 (b) Individual consultation and technical assistance to any
21 qualifying nonprofit entity that requests the service, including
22 assistance on any of the subjects identified in subdivision (a).

23 (2) The fund shall award a grant to at least 1 statewide
24 nonprofit membership organization to implement subsection (1).

25 (3) In selecting a grantee under subsection (2), the fund
26 shall consider and give priority to a statewide nonprofit
27 membership organization that meets both of the following
28 requirements:

1 (a) Has experience in providing the scope of nonprofit
2 assistance and services required under subsection (1) to qualifying
3 nonprofit entities in this state.

4 (b) Demonstrates the capacity to provide the nonprofit
5 assistance and services required under subsection (1) on a
6 statewide basis.

7 Sec. 90mm. (1) Subject to both of the following requirements
8 and subsections (2) to (4), the fund may provide a bridge loan of
9 not more than \$25,000.00 to a qualifying nonprofit entity that has
10 received written confirmation of funding from a government grant or
11 contract but has not yet received the funding.

12 (a) The fund shall not charge interest on the loan.

13 (b) The qualifying nonprofit entity must use the bridge loan
14 only for operating expenses.

15 (2) The fund or its designee shall establish an application,
16 approval, and compliance process for nonprofit, interest-free,
17 micro bridge loans that is published and available on the website
18 of the fund or the department of labor and economic opportunity.

19 (3) Before providing a nonprofit, interest-free, micro bridge
20 loan, the fund must receive written confirmation that the
21 qualifying nonprofit entity has been awarded a government grant or
22 contract but has not yet received the funding.

23 (4) The fund shall establish a schedule for repayment of a
24 nonprofit, interest-free, micro bridge loan that meets all of the
25 following requirements:

26 (a) Is reasonable based on the nature and payment schedule of
27 the government grant or contract to the qualifying nonprofit
28 entity.

29 (b) Ensures repayment of the nonprofit, interest-free, micro

1 bridge loan is completed not later than 90 days after the date of
2 the final grant or contract payment to the qualifying nonprofit
3 entity.

4 Enacting section 1. This amendatory act does not take effect
5 unless Senate Bill No. ____ (request no. S01719'25) or House Bill
6 No. 4999 (request no. H01719'25) of the 103rd Legislature is
7 enacted into law.