

HOUSE BILL No. 6051

April 20, 2010, Introduced by Reps. Switalski, McDowell, Barnett, Terry Brown, Miller and Valentine and referred to the Committee on Banking and Financial Services.

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," (MCL 125.2001 to 125.2094) by adding chapter 7A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 7A

SEC. 79A. (1) THE FUND SHALL OPERATE A CENTER FOR MICROENTERPRISE DEVELOPMENT.

(2) AS USED IN THIS CHAPTER:

(A) "CENTER" OR "CENTER FOR MICROENTERPRISE DEVELOPMENT" MEANS THE CENTER FOR MICROENTERPRISE DEVELOPMENT OPERATED UNDER THE FUND.

(B) "COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION" MEANS A NONGOVERNMENTAL, NONPROFIT ORGANIZATION THAT IS TAX-EXEMPT UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501, THAT HAS AS ITS PURPOSE THE SUPPORT OF ECONOMIC DEVELOPMENT AND EMPLOYMENT OPPORTUNITIES.

1 (C) "MICHIGAN MICROENTERPRISE FUND" IS AN ACCOUNT WITHIN THE
2 FUND TO BE USED AS PROVIDED IN THIS CHAPTER.

3 (D) "MICROENTERPRISE BUSINESS" MEANS A NEW OR EXISTING
4 BUSINESS WITH 5 OR FEWER EMPLOYEES AND INCLUDES STARTUP, HOME-
5 BASED, AND SELF-EMPLOYED INDIVIDUALS.

6 (E) "MICROENTERPRISE DEVELOPMENT ADVISORY BOARD" OR "ADVISORY
7 BOARD" MEANS THE MICROENTERPRISE DEVELOPMENT ADVISORY BOARD CREATED
8 IN SECTION 79B.

9 (F) "MICROENTERPRISE DEVELOPMENT ORGANIZATION" MEANS A
10 COMMUNITY-BASED, NONPROFIT ORGANIZATION THAT IS TAX-EXEMPT UNDER
11 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501, THAT
12 HAS A DEMONSTRATED CAPACITY AND PLAN FOR PROVIDING BUSINESS
13 TRAINING, TECHNICAL ASSISTANCE, AND BUSINESS LOANS TO
14 MICROENTERPRISE BUSINESSES.

15 SEC. 79B. (1) THE CENTER FOR MICROENTERPRISE DEVELOPMENT IS
16 CREATED UNDER THE FUND.

17 (2) THE CENTER FOR MICROENTERPRISE DEVELOPMENT SHALL BE FUNDED
18 BY THE MICHIGAN MICROENTERPRISE FUND. COSTS FOR SUPPORTING THE
19 ADMINISTRATION OF THE CENTER IN A YEAR SHALL NOT EXCEED 10% OF THE
20 FUNDS DISBURSED FROM THE MICHIGAN MICROENTERPRISE FUND THROUGH
21 LOANS AND GRANTS IN THAT YEAR.

22 (3) THE FUND SHALL DEPOSIT INTO THE MICHIGAN MICROENTERPRISE
23 FUND ALL MONEY APPROPRIATED OR OTHERWISE PROVIDED BY THIS STATE AND
24 ANY OTHER MONEY MADE AVAILABLE TO THE FUND FOR THE CENTER OR TO THE
25 CENTER FROM ANY OTHER SOURCE, PUBLIC OR PRIVATE.

26 (4) THE MICROENTERPRISE DEVELOPMENT ADVISORY BOARD IS CREATED
27 TO ADVISE THE CENTER ON MICROENTERPRISE DEVELOPMENT POLICIES AND

1 GRANT AND LOAN ALLOCATIONS AND AWARDS.

2 (5) THE MEMBERS OF THE MICROENTERPRISE DEVELOPMENT ADVISORY
3 BOARD SHALL BE APPOINTED BY THE GOVERNOR AND SHALL SERVE WITHOUT
4 COMPENSATION. THE MEMBERS OF THE ADVISORY BOARD SHALL INCLUDE ALL
5 OF THE FOLLOWING:

6 (A) TWO REPRESENTATIVES OF MICROENTERPRISE DEVELOPMENT
7 ORGANIZATIONS.

8 (B) ONE REPRESENTATIVE OF A UNIVERSITY OR COMMUNITY COLLEGE
9 SMALL BUSINESS DEVELOPMENT CENTER.

10 (C) THE DIRECTOR OF THE DEPARTMENT OF HUMAN SERVICES OR HIS OR
11 HER DESIGNEE.

12 (D) ONE REPRESENTATIVE OF A NONPROFIT COMMUNITY FINANCIAL
13 ORGANIZATION SERVING LOW-INCOME COMMUNITIES.

14 (E) TWO REPRESENTATIVES OF COMMUNITY ECONOMIC DEVELOPMENT
15 ORGANIZATIONS.

16 (F) THE DIRECTOR OF THE MICHIGAN STATE HOUSING DEVELOPMENT
17 AUTHORITY OR HIS OR HER DESIGNEE.

18 (G) THE DIRECTOR OF THE DEPARTMENT OF ENERGY, LABOR, AND
19 ECONOMIC GROWTH OR HIS OR HER DESIGNEE.

20 (6) MEMBERS SHALL BE APPOINTED TO THE ADVISORY BOARD FOR A
21 TERM OF 3 YEARS, WITH TERMS EXPIRING ON A ROTATING BASIS. OF THE
22 MEMBERS FIRST APPOINTED TO THE ADVISORY BOARD UNDER SUBSECTION
23 (5) (A), (B), AND (D), 2 SHALL BE APPOINTED TO A TERM OF 1 YEAR, 2
24 SHALL BE APPOINTED TO A TERM OF 2 YEARS, AND 2 SHALL BE APPOINTED
25 TO A TERM OF 3 YEARS.

26 (7) THE GOVERNOR SHALL APPOINT 1 MEMBER OF THE ADVISORY BOARD
27 TO SERVE AS THE CHAIRPERSON OF THE ADVISORY BOARD.

1 (8) THE ADVISORY BOARD SHALL ESTABLISH A SCHEDULE, LOCATION,
2 AND AGENDA FOR ITS MEETINGS. MEETINGS SHALL BE HELD AT LEAST 4
3 TIMES PER YEAR.

4 (9) THE ADVISORY BOARD IS RESPONSIBLE FOR, BUT NOT LIMITED TO,
5 ALL OF THE FOLLOWING:

6 (A) RECOMMENDING QUALIFICATIONS THAT MUST BE MET BY
7 ORGANIZATIONS MAKING APPLICATION FOR LOAN AND GRANT FUNDS.

8 (B) RECOMMENDING TO THE CENTER ALLOCATION AMOUNTS FOR LOANS
9 AND GRANTS.

10 (C) REVIEWING ALL APPLICATIONS FOR FUNDING AND REVIEWING
11 RECOMMENDATIONS OF THE CENTER FOR THE GRANTING OF FUNDS.

12 (D) RECOMMENDING INFORMATION TO BE INCLUDED IN REPORTS
13 REQUIRED BY THE CENTER.

14 (E) EVALUATING ALL REPORTS PROVIDED TO AND BY THE CENTER.

15 (F) RECOMMENDING WAYS TO INCREASE THE INVOLVEMENT OF THE
16 PRIVATE SECTOR IN MICROENTERPRISE DEVELOPMENT.

17 (10) WITHIN 1 YEAR AFTER ITS CREATION, THE MICROENTERPRISE
18 DEVELOPMENT ADVISORY BOARD SHALL REPORT TO THE DEPARTMENT, THE
19 GOVERNOR, AND EACH HOUSE OF THE LEGISLATURE ON THE ADVISABILITY OF
20 CREATING A STATEWIDE NONPROFIT CORPORATION TO SERVE AS THE CENTER
21 FOR MICROENTERPRISE DEVELOPMENT FOR THE PURPOSE OF MAKING
22 APPLICATION FOR FEDERAL AND PRIVATE SOURCE FUNDING.