

HOUSE BILL No. 6052

April 20, 2010, Introduced by Reps. McDowell, Switalski, 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 sections 79c, 79d, and 79e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 79C. (1) EXCEPT AS PROVIDED IN SECTION 79B, MONEY IN THE
2 MICHIGAN MICROENTERPRISE FUND SHALL BE USED ONLY TO MAKE LOANS OR
3 GRANTS TO MICROENTERPRISE DEVELOPMENT ORGANIZATIONS IN THIS STATE
4 FOR MICROENTERPRISE DEVELOPMENT.

5 (2) LOANS OR GRANTS TO MICROENTERPRISE DEVELOPMENT
6 ORGANIZATIONS OR COMMUNITY DEVELOPMENT ORGANIZATIONS THAT INCLUDE
7 MICROENTERPRISE SUPPORT AND DELIVERY SERVICES IN THIS STATE SHALL
8 BE USED ONLY FOR THE FOLLOWING PURPOSES:

9 (A) ADMINISTERING A LOAN OR LOAN GUARANTEE PROGRAM.

10 (B) ADMINISTERING A REVOLVING LOAN PROGRAM.

11 (C) PROVIDING BUSINESS TRAINING AND TECHNICAL ASSISTANCE TO
12 PERSONS WHOSE HOUSEHOLD INCOME FALLS AT OR BELOW 185% OF FEDERAL

1 POVERTY LIMITS.

2 (D) PROVIDING BUSINESS LOANS TO PERSONS WHOSE HOUSEHOLD INCOME
3 FALLS AT OR BELOW 185% OF FEDERAL POVERTY LIMITS.

4 (3) GRANTS TO A MICROENTERPRISE DEVELOPMENT ORGANIZATION FOR
5 ADMINISTRATION, BUSINESS TRAINING, AND TECHNICAL ASSISTANCE SHALL
6 NOT EXCEED 50% OF THE OPERATING COSTS OF THAT MICROENTERPRISE
7 DEVELOPMENT ORGANIZATION PER YEAR.

8 (4) LOANS MADE FROM THE FUND TO A MICROENTERPRISE DEVELOPMENT
9 ORGANIZATION SHALL BE FOR A TERM NOT TO EXCEED 5 YEARS AT 0%
10 INTEREST AND SHALL BE RENEWABLE.

11 (5) LOANS OR GRANTS FROM A MICROENTERPRISE DEVELOPMENT
12 ORGANIZATION TO A MICROENTERPRISE BUSINESS SHALL NOT EXCEED
13 \$25,000.00 PER YEAR. HOWEVER, AT LEAST 50% OF THE LOANS OR GRANTS
14 MADE FROM A MICROENTERPRISE DEVELOPMENT ORGANIZATION SHALL NOT
15 EXCEED \$10,000.00.

16 SEC. 79D. (1) THE CENTER SHALL MAKE GRANTS AND LOANS DESCRIBED
17 IN THIS SECTION TO MICROENTERPRISE DEVELOPMENT ORGANIZATIONS BASED
18 ON THE FOLLOWING CRITERIA AS DETERMINED BY THE CENTER:

19 (A) A PLAN FOR PROVIDING BUSINESS DEVELOPMENT TRAINING,
20 TECHNICAL ASSISTANCE, LOANS, AND GRANTS TO MICROENTERPRISE
21 BUSINESSES.

22 (B) THE SCOPE OF THE BUSINESS DEVELOPMENT TRAINING AND
23 TECHNICAL ASSISTANCE SERVICES TO BE PROVIDED TO MICROENTERPRISE
24 BUSINESSES.

25 (C) A PLAN FOR COORDINATING THE BUSINESS DEVELOPMENT TRAINING,
26 TECHNICAL ASSISTANCE, LOANS, AND GRANTS OF THE MICROENTERPRISE
27 DEVELOPMENT ORGANIZATION WITH COMMERCIAL AND OTHER NONPROFIT

1 FINANCIAL INSTITUTIONS.

2 (D) THE GEOGRAPHIC REPRESENTATION OF ALL REGIONS OF THIS
3 STATE, INCLUDING BOTH URBAN AND RURAL AREAS.

4 (E) THE ABILITY OF THE MICROENTERPRISE DEVELOPMENT
5 ORGANIZATION TO PROVIDE MICROENTERPRISE DEVELOPMENT IN AREAS OF
6 CHRONIC ECONOMIC DISTRESS AND LOW INCOME REGIONS OF THIS STATE.

7 (F) A PLAN AND THE CAPACITY FOR PROVIDING BUSINESS TRAINING,
8 TECHNICAL ASSISTANCE, AND BUSINESS LOANS TO PERSONS WHOSE EARNINGS
9 FALL AT OR BELOW 185% OF FEDERAL POVERTY LIMITS.

10 (G) THE ABILITY OF THE MICROENTERPRISE DEVELOPMENT
11 ORGANIZATION TO PROVIDE FINANCIAL OVERSIGHT OF LOANS AND GRANTS
12 UNDER THIS CHAPTER.

13 (2) AS A CONDITION OF RECEIVING A LOAN OR GRANT UNDER THIS
14 CHAPTER, THE RECIPIENT MICROENTERPRISE DEVELOPMENT ORGANIZATION
15 SHALL PROVIDE PERIODIC PERFORMANCE REPORTS AS DETERMINED BY THE
16 CENTER.

17 SEC. 79E. THE CENTER SHALL REPORT TO THE GOVERNOR AND EACH
18 HOUSE OF THE LEGISLATURE EACH YEAR ON ALL OF THE FOLLOWING:

19 (A) THE AMOUNT OF ALL LOANS AND GRANTS, INDIVIDUALLY
20 IDENTIFIED, TO EACH MICROENTERPRISE DEVELOPMENT ORGANIZATION.

21 (B) THE AMOUNT AND RECIPIENT OF EVERY LOAN AND GRANT MADE BY A
22 MICROENTERPRISE DEVELOPMENT ORGANIZATION.

23 (C) TYPES AND INDIVIDUAL UNITS OF BUSINESS TRAINING AND
24 TECHNICAL ASSISTANCE PROVIDED BY MICROENTERPRISE DEVELOPMENT
25 ORGANIZATIONS.

26 (D) THE PERCENTAGE OF BUSINESS TRAINING, TECHNICAL ASSISTANCE,
27 AND LOANS THAT WERE PROVIDED TO PERSONS WHOSE EARNINGS FALL AT OR

1 BELOW FEDERAL POVERTY LIMITS.

2 (E) AN EVALUATION OF THE DEMAND AND THE EFFECTIVENESS OF THIS
3 PROGRAM BASED ON DEVELOPING NEW, AND INCREASING THE CAPACITY OF
4 EXISTING, MICROENTERPRISE BUSINESSES IN THIS STATE; STRENGTHENING
5 THE CAPACITY OF MICROENTERPRISE DEVELOPMENT ORGANIZATIONS;
6 ENHANCING THE EARNING CAPACITY AND REDUCING THE DEPENDENCE ON
7 PUBLIC SERVICES OF INDIVIDUALS AND FAMILIES RECEIVING BUSINESS
8 TRAINING, TECHNICAL ASSISTANCE, AND LOANS THROUGH THE CENTER'S
9 GRANT AND LOAN PROGRAMS; AND FUNDS PROVIDED BY OTHER PUBLIC AND
10 PRIVATE ENTITIES THAT WERE LEVERAGED THROUGH THE PROGRAMS DESCRIBED
11 IN THIS CHAPTER.

12 Enacting section 1. This amendatory act does not take effect
13 unless Senate Bill No.____ or House Bill No.____ (request no.
14 00952'09 *) of the 95th Legislature is enacted into law.