

HOUSE BILL NO. 6242

September 22, 2020, Introduced by Reps. Hood, Hoadley, LaGrand, Tate, Camilleri, Hammoud, Anthony, Kuppa, Warren and Sabo and referred to the Committee on Commerce and Tourism.

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
(MCL 125.2001 to 125.2094) by adding section 88s.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 88s. (1) The fund shall create and operate the Michigan
2 small business property tax loan program to provide loans to
3 qualified businesses in this state.

4 (2) The Michigan small business property tax loan program
5 shall provide for all of the following:

6 (a) Loans to assist qualified businesses that were closed on



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1 August 1, 2020 due to an executive order issued by the governor to
2 pay unpaid 2020 summer property taxes.

3 (b) A detailed application, approval, and compliance process
4 published and available on the fund's website. The detailed
5 application, approval, and compliance process must provide all of
6 the following:

7 (i) That a qualified business may apply for a loan in a form
8 and manner determined by the fund.

9 (ii) That after receipt of an application, the fund may enter
10 into a written loan agreement with the qualified business.

11 (iii) That the written loan agreement must provide in a clear
12 and concise manner the interest rate, that the time for repayment
13 must not exceed 24 months, the collection procedures, and any other
14 conditions imposed by the board under this section. The interest
15 rate is 0.00% for the first 12 month of the loan. If the qualified
16 business meets all conditions imposed by the board under this
17 section during the first 12 months of the loan, then the interest
18 rate is 0.00% for the remainder of the loan. If the qualified
19 business does not meet all conditions imposed by the board under
20 this section during the first 12 months of the loan, then the
21 interest rate is the prime rate for the remainder of the loan, as
22 determined by the board.

23 (iv) That the proceeds of the loan must be used to pay 2020
24 summer property taxes of the qualified business.

25 (c) A loan to a qualified business under this section must not
26 exceed \$1,000,000.00.

27 (3) The fund shall post on its website or post on the website
28 of the Michigan economic development corporation the name and
29 location of each qualified business that received a loan under this



1 section and the amount of the loan.

2 (4) As used in this section:

3 (a) "Qualified business" means a business that meets all of
4 the following:

5 (i) Is located in or operates in this state.

6 (ii) Was closed for its primary purpose on August 1, 2020 as a
7 result of the COVID-19 pandemic as determined by the fund.

8 (iii) Earned less than 5% of its average monthly revenue from
9 April 1, 2020 through July 31, 2020, compared to its average
10 monthly revenue in the 48 months prior to March 1, 2020, or as
11 compared to all months the business operated prior to March 1,
12 2020, if the business began operation after March 31, 2016, as
13 determined by the fund.

14 (iv) Has unpaid 2020 summer property taxes for property that
15 was closed as described in subparagraph (ii).

16 (v) Has entered into a written agreement with the local tax
17 collecting unit to use the proceeds of the loan to pay the 2020
18 summer property taxes.

19 (b) "Summer property taxes" means that term as defined in
20 section 51 of the general property tax act, 1893 PA 206, MCL
21 211.51.

