

MICHIGAN STRATEGIC FUND ACT (EXCERPT)
Act 270 of 1984

***** 125.2088b.amended THIS AMENDED SECTION IS EFFECTIVE APRIL 2, 2025 *****

125.2088b.amended Programs created and operated by fund; expenditures or investments; use of appropriated or transferred money; fees; restriction; selection of vendors; expenditure of funds without further appropriation.

Sec. 88b. (1) The fund shall create programs authorized under this chapter. These programs shall be operated and administered by the authorized officers, employees, and agents of the fund, including the MEDC and its employees. Consistent with the requirements of this chapter, the fund board shall determine the annual allocation of money for programs authorized under this chapter and make authorized expenditures or investments from the investment fund of the 21st century jobs trust fund as authorized under this act for programs and activities authorized under this chapter.

(2) Money transferred or appropriated by law to the fund for the purposes of carrying out this chapter or chapter 8C must be expended or invested by the fund as authorized by law for the following purposes:

(a) 21st century investments if those investments provide for repayment for breach of the written agreement or the failure to meet measurable outcomes.

(b) Grants and loans approved by the fund board under section 88k if those grants and loans provide for repayment for breach of the written agreement or the failure to meet measurable outcomes.

(c) Other programs or activities authorized under this chapter, any other chapter of this act, or as provided in an appropriation act if those programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes.

(d) The Michigan innovation fund program as provided in section 88u.

(e) Grants, loans, or other economic assistance under section 88r and community revitalization incentives under chapter 8C if those grants, loans, other economic assistance, and community revitalization incentives provide for repayment for breach of the written agreement or the failure to meet measurable outcomes.

(3) Not more than 4% of the annual appropriation as provided by law from the 21st century jobs trust fund may be used for the purposes of administering the programs and activities authorized under this chapter. However, the fund and the fund board shall not use more than 3% of the annual appropriation for administering the programs and activities authorized under this chapter unless the fund board by a 2/3 vote authorizes the additional 1% for administration. The MEDC may charge actual and reasonable fees for costs associated with loans, grants, or other economic assistance under this chapter. These fees are in addition to the amount of the appropriation used for administering the programs and activities authorized under this chapter.

(4) Not more than 5% of the annual appropriation as provided by law from the 21st century jobs trust fund may be used for business development and business marketing costs. No funds may be used for any business development and business marketing effort that includes a reference to or the image or voice of an elected state officer or a candidate for elective state office and that is targeted to a media market in this state.

(5) The fund shall not use any money appropriated or transferred for purposes authorized under this chapter to acquire interests in or improve real property. The restriction under this subsection does not prohibit the fund from taking a security interest in real property. The restriction under this subsection applies only to the fund and not to recipients of expenditures or investments under this chapter.

(6) The fund board may select all vendors for all expenditures and for program awards under this chapter by issuing a request for proposal or an alternative competitive process as determined by the fund board. At a minimum, the request for proposal must require the responding entities to disclose any conflict of interest, disclose any criminal convictions, disclose any investigations by the Internal Revenue Service or any other federal or state taxing body or court, disclose any litigation involving the entity, and maintain records and evidence pertaining to work performed. The fund board shall establish a standard process to evaluate proposals submitted as a result of a request for proposal and appoint a committee to review the proposals. The fund or the fund board shall not appoint or designate any person paid or unpaid to a committee to review proposals if that person has a conflict of interest with any potential vendors as determined by the office of the chief compliance officer established in section 88i.

(7) The fund may use application fees received for programs and activities authorized under this chapter or chapter 8C for administering the programs and activities authorized under this chapter or chapter 8C. The restrictions on expenditures under subsection (3) do not apply to expenditure of application fee revenue under this subsection.

(8) Funds appropriated by law to the fund board or the fund may be expended by the fund board or fund without further appropriation regardless of the source of those funds.

(9) Money deposited in the 21st century jobs trust fund under section 7(1)(c) of the Michigan trust fund act, 2000 PA 489, MCL 12.257, must be expended as provided in section 88u.

(10) As used in this section, "21st century jobs trust fund" means the 21st century jobs trust fund established in section 7 of the Michigan trust fund act, 2000 PA 489, MCL 12.257.

History: Add. 2005, Act 225, Imd. Eff. Nov. 21, 2005;—Am. 2008, Act 175, Imd. Eff. July 8, 2008;—Am. 2009, Act 218, Imd. Eff. Jan. 5, 2010;—Am. 2010, Act 271, Imd. Eff. Dec. 15, 2010;—Am. 2011, Act 3, Imd. Eff. Mar. 11, 2011;—Am. 2011, Act 250, Imd. Eff. Dec. 13, 2011;—Am. 2012, Act 145, Imd. Eff. May 30, 2012;—Am. 2014, Act 505, Imd. Eff. Jan. 14, 2015;—Am. 2024, Act 190, Eff. Apr. 2, 2025.

Compiler's note: For transfer of the Michigan strategic fund from department of treasury to department of talent and economic development, and transfer of powers and duties of board of directors of Michigan strategic fund to new board of directors, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

Popular name: Strategic Fund