

**SUBSTITUTE FOR
SENATE BILL NO. 353**

A bill to operate certain programs in the Michigan strategic fund; and to impose certain duties and responsibilities on certain state employees and public employees.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Community development block grant program" means the
3 federal community development block grant program described in
4 title I of the housing and community development act of 1974, 42
5 USC 5301 to 5321, that is operated by the Michigan strategic fund.

6 (b) "Michigan strategic fund" means the Michigan strategic
7 fund created in the Michigan strategic fund act, 1984 PA 270, MCL
8 125.2001 to 125.2093.

9 (c) "Rural area" means a county with a population of 90,000 or

Senate Bill No. 353 as amended June 14, 2005

1 less.

2 Sec. 2. (1) In operating and administering the community
3 development block grant program, to the extent allowed by law and
4 except as provided in subsection (2), the Michigan strategic fund
5 shall provide that not less than 55% of the community development
6 block grant program funds shall be awarded for projects located in
7 rural areas. Projects that create or retain jobs shall be given
8 priority.

9 (2) If there are insufficient applicants for projects in rural
10 areas, the Michigan strategic fund may award community development
11 block grant program funds for projects not in rural areas <<only for
12 including, but not limited to,>>
the following projects:

- 13 (a) Economic development infrastructure.
14 (b) Economic development planning.
15 (c) Downtown and gateway development.
16 (d) Economic development grants and loans.
17 (e) Broadband telecommunications development.

18 (3) The Michigan strategic fund shall not require matching
19 funds greater than 5% of the cost of the project for projects
20 located in rural areas. Projects that provide matching funds
21 greater than 5% of the cost of the project may be given priority.