

SUBSTITUTE FOR  
HOUSE BILL NO. 4552

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending sections 11 and 88i (MCL 125.2011 and 125.2088i),  
section 11 as amended by 1987 PA 278 and section 88i as added by  
2005 PA 225.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 11. (1) Within 90 days after assistance for a project is  
2 requested from the fund by the filing of a written application with  
3 the board, the board shall approve or disapprove the request for  
4 assistance. Upon written request by an applicant, the board may  
5 reconsider its denial of an application for assistance under this  
6 section or may waive the 90-day deadline for approving or  
7 disapproving an application.

8       (2) BEGINNING APRIL 1, 2010, THE BOARD SHALL NOT APPROVE A

1 REQUEST FOR ASSISTANCE FOR A PROJECT FROM A BUSINESS THAT HAS  
2 FAILED TO COMPLY WITH THE MICHIGAN CORPORATE RESPONSIBILITY ACT OR  
3 FAILS TO DISCLOSE A CIVIL OR CRIMINAL OFFENSE AS REQUIRED BY  
4 SECTION 3 OF THE MICHIGAN CORPORATE RESPONSIBILITY ACT.

5 Sec. 88i. (1) The office of the chief compliance officer is  
6 created within the fund. The office shall exercise its powers and  
7 duties under this section independently of the fund.

8 (2) The office shall assist the fund board with the creation,  
9 implementation, monitoring, and enforcement of policies and  
10 procedures to prevent illegal, unethical, or improper conduct on  
11 the part of fund board members, commercialization board members and  
12 employees, or agents of the fund board and commercialization board  
13 in carrying out their duties under this chapter. **THE OFFICE ALSO**  
14 **SHALL ASSIST THE BOARD OF DIRECTORS OF THE MICHIGAN ECONOMIC GROWTH**  
15 **AUTHORITY CREATED UNDER THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT,**  
16 **1995 PA 24, MCL 207.801 TO 207.810, WITH THE CREATION,**  
17 **IMPLEMENTATION, MONITORING, AND ENFORCEMENT OF POLICIES AND**  
18 **PROCEDURES TO PREVENT ILLEGAL, UNETHICAL, OR IMPROPER CONDUCT ON**  
19 **THE PART OF THE BOARD OF DIRECTORS OF THE MICHIGAN ECONOMIC GROWTH**  
20 **AUTHORITY, AGENTS OF THE BOARD OF DIRECTORS, EMPLOYEES OF THE FUND,**  
21 **OR APPLICANTS FOR TAX CREDITS UNDER THE MICHIGAN ECONOMIC GROWTH**  
22 **AUTHORITY ACT, 1995 PA 24, MCL 207.801 TO 207.810.**

23 (3) The principal executive officer of the office is the chief  
24 compliance officer. The state administrative board shall be the  
25 appointing authority of the chief compliance officer.

26 (4) A person may not interfere with, prevent, or prohibit the  
27 chief compliance officer from carrying out his or her duties as

1 established in this section and set by the state administrative  
2 board **OR HIS OR HER DUTIES UNDER OTHER APPLICABLE LAW**. The chief  
3 compliance officer is an employee for purposes of the  
4 whistleblowers' protection act, 1980 PA 469, MCL 15.361 to 15.369.

5 (5) All departments, state agencies, committees,  
6 commissioners, or officers of this state, the MEDC, and any  
7 political subdivision of this state, so far as is compatible with  
8 their duties, shall give the chief compliance officer any necessary  
9 assistance required by the chief compliance officer in the  
10 performance of the duties of the chief compliance officer. All  
11 departments, state agencies, committees, commissioners, or officers  
12 of this state, the MEDC, and any political subdivision of this  
13 state shall provide the chief compliance officer free access to any  
14 book, record, or document in their custody, relating to the matters  
15 within the scope of the chief compliance officer in the performance  
16 of his or her duties.

17 (6) The chief compliance officer shall do all of the  
18 following:

19 (a) Recommend policies and procedures, including, but not  
20 limited to, a conflict of interest policy, an investment policy,  
21 and an ethics policy to the fund board, ~~and~~ the commercialization  
22 board, **AND THE BOARD OF DIRECTORS OF THE MICHIGAN ECONOMIC GROWTH**  
23 **AUTHORITY** that shall protect the state's assets consistent with the  
24 requirements of this chapter and applicable state and federal law.  
25 The chief compliance officer shall also assist in the design of the  
26 policies and procedures that will prevent violations from  
27 occurring, detect violations that have occurred, and correct such

1 violations promptly.

2 (b) Assist employees and agents of the board, ~~and the~~  
3 commercialization board, **AND THE BOARD OF DIRECTORS OF THE MICHIGAN**  
4 **ECONOMIC GROWTH AUTHORITY** to ensure that they are in compliance  
5 with internal policies and procedures and with applicable state and  
6 federal law.

7 (c) Provide guidance to the board, the commercialization  
8 board, **THE BOARD OF DIRECTORS OF THE MICHIGAN ECONOMIC GROWTH**  
9 **AUTHORITY**, and employees of the board, ~~and the~~ commercialization  
10 board, **AND THE MICHIGAN ECONOMIC GROWTH AUTHORITY** on matters  
11 related to compliance with internal policies and procedures and  
12 with applicable state and federal law.

13 (d) Make recommendations to the board, the commercialization  
14 board, **THE BOARD OF DIRECTORS OF THE MICHIGAN ECONOMIC GROWTH**  
15 **AUTHORITY**, and employees of the board, ~~and the~~ commercialization  
16 board, **AND THE MICHIGAN ECONOMIC GROWTH AUTHORITY** regarding the  
17 appropriate evaluation, investigation, and resolution of issues and  
18 concerns regarding compliance with internal policies and procedures  
19 and with applicable state and federal law.

20 (e) Review and evaluate compliance with internal policies and  
21 procedures and with applicable state and federal law.

22 (f) Cooperate with the office of the auditor general as the  
23 auditor general carries out his or her **CONSTITUTIONAL** duties.

24 (g) Report quarterly to the fund board and the state  
25 administrative board regarding compliance with internal policies  
26 and procedures and with applicable state and federal law.

27 (h) Contact persons receiving awards, investments, grants, and

Hosue Bill No. 4552 (H-1) as amended March 25, 2010

1 loans under this chapter **AND TAX CREDITS AUTHORIZED UNDER THE**  
2 **MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA 24, MCL 207.801 TO**  
3 **207.810,** to the extent necessary to carry out responsibilities  
4 under this chapter **AND OTHER APPLICABLE LAW.**

5 (i) Prepare a written annual report that evaluates compliance  
6 with internal policies and procedures and with applicable state and  
7 federal law, explains any compliance matters that arose during the  
8 previous year, and suggests revisions to agency policies and  
9 procedures. Copies of the report shall be provided to the governor,  
10 the clerk of the house of representatives, the secretary of the  
11 senate, the chairpersons of the senate and house of representatives  
12 committees on commerce, and the chairpersons of the senate and  
13 house of representatives committees on appropriations. The annual  
14 report shall also be published on the fund's internet website.

15 (j) Do all other things necessary to carry out the chief  
16 compliance officer's responsibilities under this section **AND OTHER**  
17 **APPLICABLE LAW.**

18 (7) As used in this section, "office" means the office of the  
19 chief compliance officer.

**[(8) THE PHYSICAL OFFICES OF THE CHIEF COMPLIANCE OFFICER SHALL  
NOT RESIDE IN A BUILDING WHERE ANY OTHER FUND EMPLOYEE OFFICE RESIDES.]**