

# HOUSE BILL NO. 5998

July 23, 2020, Introduced by Reps. Manoogian, Koleszar, Anthony, Witwer, Pagan, Rabhi, Lasinski, Warren, Clemente, Liberati, Hammoud, Camilleri, Shannon, Pohutsky, Hope, Kennedy, Chirkun, Stone, Sneller, Hoadley, Bolden, Guerra, Brixie, Sabo, Gay-Dagnogo, Hood, Garza, Tate and Hertel 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 chapter 8f.

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

**CHAPTER 8F**

**Sec. 90t. As used in this chapter:**

(a) "Eligible business" means a business that meets all of the following:

(i) Is in an industry or business affected by an emergency in this state or is a business that provides goods or services to an



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1 industry or businesses affected by an emergency in this state.

2 (ii) Needs working capital to support payroll expenses, rent,  
3 mortgage payments, utility expenses, or other similar expenses that  
4 occur in the ordinary course of business.

5 (iii) Demonstrates an income loss as a result of an emergency as  
6 determined by the fund.

7 (b) "Emergency" means a state of emergency or a state of  
8 disaster declared by the governor.

9 (c) "Local economic development organization" means a  
10 participating economic development corporation formed under the  
11 economic development corporations act, 1974 PA 338, MCL 125.1601 to  
12 125.1636, who are part of a contractual interlocal agreement with  
13 the fund.

14 (d) "Small business relief grant" or "grant" means a small  
15 business relief grant made to an eligible business under this  
16 chapter.

17 (e) "Small business relief loan" or "loan" means a small  
18 business relief loan made to an eligible business under this  
19 chapter.

20 (f) "Small business relief program" or "program" means the  
21 small business relief program operated by the fund under this  
22 chapter.

23 (g) "State of disaster" means that term as described in  
24 section 2 of the emergency management act, 1976 PA 390, MCL 30.402.

25 (h) "state of emergency" means that term as described in  
26 section 2 of the emergency management act, 1976 PA 390, MCL 30.402.

27 Sec. 90u. (1) The fund shall create and operate the small  
28 business relief program to provide small business relief grants and  
29 small business relief loans to eligible businesses in this state.



1 The fund, in consultation with local economic development  
2 organizations, will provide grants and loans to eligible businesses  
3 that have realized a significant financial hardship as a result of  
4 an emergency.

5 (2) The program shall provide for all of the following:

6 (a) Grants must only be made available to eligible businesses  
7 that have 50 or fewer employees as determined by the fund.

8 (b) Grants cannot exceed \$10,000.00.

9 (c) Loans must only be made to eligible businesses that have  
10 100 or fewer employees and that are unable to access credit through  
11 alternative sources, as determined by the fund.

12 (d) Loans must be made in amounts of not less than \$50,000.00  
13 and not more than \$200,000.00.

14 (e) Loans shall be amortized over 120 months with interest  
15 payment only for the first 60 months. Interest rate shall be .25%  
16 per annum.

17 (f) Grants and loans may only be used for working capital to  
18 support payroll expenses, rent, mortgage payments, utility  
19 expenses, or similar expenses that occur in the ordinary course of  
20 business.

21 Sec. 90v. (1) The fund, in conjunction with local economic  
22 development organizations, must develop and post on the fund's  
23 website the application, program operation, award, and reporting  
24 criteria for the program.

25 (2) The fund shall report to the governor, each house of the  
26 legislature, and the house and senate fiscal agencies every  
27 calendar quarter on the amount of grants and loans made in the  
28 previous quarter and the name of the recipient of each grant and  
29 loan made under the program.

