

**SUBSTITUTE FOR  
SENATE BILL NO. 559**

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending sections 9, 88s, and 88t (MCL 125.2009, 125.2088s, and  
125.2088t), section 9 as amended and section 88s as added by 2021  
PA 136, and section 88t as added by 2021 PA 134, and by adding  
section 88u.

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

1           Sec. 9. (1) The fund shall transmit to each member of the  
2 legislature, the governor, the clerk of the house of  
3 representatives, the secretary of the senate, and the senate and  
4 house fiscal agencies annually a report of its activities. The  
5 report ~~shall~~**must** be transmitted not later than April 10 of each  
6 year for activities in the immediately preceding state fiscal year.

1 The report ~~shall~~**must** not include information exempt from  
2 disclosure under section 5. The report ~~shall~~**must** include, but is  
3 not limited to, all of the following for each program operated  
4 under this act:

5 (a) A list of entities that received financial assistance.

6 (b) The type of project or product being financed.

7 (c) The amount and type of financial assistance.

8 (d) For each separate form of financial assistance, all of the  
9 following:

10 (i) The number of new jobs committed or projected when the  
11 financial assistance was applied for.

12 (ii) The number of retained jobs committed or projected when  
13 the financial assistance was applied for.

14 (iii) The actual number of new jobs created that are not  
15 temporary employees.

16 (iv) The actual number of retained jobs that are not temporary  
17 employees.

18 (v) The average annual salary of the new jobs created that are  
19 not temporary employees.

20 (vi) The average annual salary of the retained jobs that are  
21 not temporary employees.

22 (e) The duration of the financial assistance.

23 (f) The amount of financial support other than state  
24 resources.

25 (g) Money or other revenue or property returned to the fund,  
26 including any repayments through a clawback provision in the  
27 agreement.

28 (h) The status of all loans of the fund.

29 (i) A list of all entities that are in bankruptcy, that the

1 fund has received actual notice of, filed by a direct recipient of  
2 an active single incentive of at least \$500,000.00. In addition,  
3 the fund shall, within 120 days after the fund receives notice,  
4 provide a report of the notice of bankruptcy on its website and  
5 shall forward the report to each of the following:

6 (i) The senate majority leader and the senate minority leader.

7 (ii) The speaker of the house and the house minority leader.

8 (iii) The members of the house ~~commerce and tourism~~ **economic**  
9 **development and small business** committee.

10 (iv) The members of the house appropriations subcommittee on  
11 general government.

12 (v) The members of the senate economic and ~~small business~~  
13 **community** development committee.

14 (vi) The members of the senate appropriations subcommittee on  
15 general government.

16 (j) A summary of the approximate administrative costs used to  
17 administer the programs and activities authorized under this act.

18 (k) Any other information as required in this section.

19 (2) The auditor general or a certified public accountant  
20 appointed by the auditor general annually shall conduct and remit  
21 to the legislature an audit of the fund and, in the conduct of the  
22 audit, shall have access to all records of the fund at any time,  
23 whether or not confidential. Each audit required by this section  
24 shall include a determination of whether the fund is likely to be  
25 able to continue to meet its obligations, including a report on the  
26 status of outstanding loans and agreements made by the fund.

27 (3) The fund shall also transmit the audit described in  
28 subsection (2) to the chairperson and minority vice-chairperson of  
29 the senate appropriations subcommittee on general government and

1 the house of representatives appropriations subcommittee on general  
2 government. The fund shall make the report and audit available to  
3 the public on the fund's website.

4 (4) The report described in subsection (1) must also contain  
5 all of the following that are related to a 21st century investment  
6 made by the fund board under chapter 8A:

7 (a) The amount of qualified venture capital fund investments,  
8 qualified mezzanine fund investments, and qualified private equity  
9 fund investments under management in this state, including year-to-  
10 year growth.

11 (b) The value of loan enhancement program investments,  
12 qualified private equity fund investments, qualified mezzanine fund  
13 investments, and qualified venture capital investments in qualified  
14 businesses, including year-to-year growth.

15 (c) A statement of the amount of money in each loan reserve  
16 fund established under the small business capital access program  
17 required under chapter 8A.

18 (5) The report described in subsection (1) must also include,  
19 but is not limited to, all of the following for all actions under  
20 section 88r:

21 (a) The total actual amount of qualified investment attracted  
22 under section 88r as reported to the fund.

23 (b) The total actual number of new jobs created under section  
24 88r as reported to the fund.

25 (c) The actual amount of the grant, loan, or other economic  
26 assistance made under section 88r separately for each qualified  
27 business verified by the fund.

28 (d) For each qualified business, whether it is a new business,  
29 whether it is an expansion of an existing business, or whether it

1 relocated from outside of this state.

2 (e) An evaluation of the aggregate return on investment that  
3 this state realizes on the actual qualified new jobs and actual  
4 qualified investment made by qualified businesses.

5 (6) The report described in subsection (1) must also include,  
6 but is not limited to, all of the following for all actions under  
7 chapter 8B:

8 (a) For tourism promotion efforts, all of the following:

9 (i) An itemized list, by market, of how much was spent, types  
10 of media purchased, and target of the tourism promotion campaign.

11 (ii) The return on investment analysis that utilizes existing  
12 baseline data and compares results with prior outcome evaluations  
13 funded by Travel Michigan.

14 (b) For business development efforts, all of the following:

15 (i) An itemized list, by market, of how much was spent, types  
16 of media purchased, and target of the business promotion campaign.

17 (ii) A performance analysis that compares the program or  
18 campaign objectives and outcome of the campaign or program.

19 (7) The report described in subsection (1) must also include,  
20 but is not limited to, all of the following for all actions under  
21 section 90d:

22 (a) The total actual amount of private investment attracted  
23 under section 90d as reported to the fund.

24 (b) The actual amount of the community revitalization  
25 incentives made under chapter 8C separately for each project.

26 (c) The total actual amount of square footage revitalized or  
27 added for each project approved under section 90d as reported to  
28 the fund. When reporting square footage, the person must report the  
29 square footage by category, including, but not limited to,

1 commercial, residential, or retail.

2 (d) The aggregate increase in taxable value of all property  
3 subject to a written agreement under chapter 8C when established  
4 and recorded by the local units of government and as reported to  
5 the fund.

6 (e) The total actual number of residential units revitalized  
7 or added for each project approved under section 90d as reported to  
8 the fund.

9 (f) Each project that received a community revitalization  
10 incentive outside the fund program standards and guidelines and why  
11 the variance was given.

12 (8) Beginning on and after January 1, 2012, on a monthly basis  
13 the fund shall provide exact copies of all information regarding  
14 all actions under chapter 8C that is provided to board members of  
15 the fund for the purpose of monthly board meetings, subject to  
16 confidentiality under section 5, to each of the following and post  
17 that information on the fund's website:

18 (a) The chairperson and minority vice-chairperson of the house  
19 ~~commerce and tourism~~ **economic development and small business**  
20 committee.

21 (b) The chairperson and minority vice-chairperson of the house  
22 appropriations subcommittee on general government.

23 (c) The chairperson and minority vice-chairperson of the  
24 senate economic and ~~small business~~ **community** development committee.

25 (d) The chairperson and minority vice-chairperson of the  
26 senate appropriations subcommittee on general government.

27 (9) The report described in subsection (1) must also include a  
28 summary of the approximate administrative costs used to administer  
29 the programs and activities authorized in the following sections:

1 (a) Section 88b.

2 (b) Section 88h.

3 (c) Section 90b.

4 (10) The report described in subsection (1) must also include,  
5 but is not limited to, all of the following for all actions for  
6 business incubators approved by the fund after January 14, 2015:

7 (a) The number of new jobs created and projected new job  
8 growth by current clients of the business incubator.

9 (b) Amounts of other funds leveraged by current clients of the  
10 business incubator.

11 (c) Increases in revenue for current clients of the business  
12 incubator.

13 (11) The report described in subsection (1) must also include  
14 the actual repayments received by the fund for failure to comply  
15 with clawback provisions of the written agreement under all of the  
16 following:

17 (a) Section 78.

18 (b) Section 88d.

19 (c) Section 88k.

20 (d) Section 88q.

21 (e) Section 88r.

22 (f) Section 90b.

23 (12) Beginning on July 1, 2015, the fund shall post on the  
24 fund's website a list of each contract, agreement, or other written  
25 loan or grant documentation for financial assistance under sections  
26 88r and 90b that the fund entered into or modified in the  
27 immediately preceding fiscal year.

28 (13) Beginning on July 1, 2015, the fund shall post and update  
29 periodically all of the following on its website for all loans made

1 under sections 88r and 90b:

2 (a) A description of the project for which the loan was made.

3 (b) The total amount of the loan.

4 (c) Whether payments on the loan balance are current or  
5 delinquent.

6 (d) The interest rate of the loan.

7 (14) Beginning July 1, 2015, the report described in  
8 subsection (1) ~~shall~~**must** also contain all of the following for  
9 each program that provides financial assistance under this act that  
10 requires a site visit:

11 (a) A copy of the site visit guidelines for that program.

12 (b) The number of site visits conducted under that program.

13 (c) The chief compliance officer shall review and evaluate  
14 compliance with the site visit guidelines.

15 (15) The fund shall post on its website and update  
16 periodically all of the information described in subsection (14).

17 (16) The report described in subsection (1) must also include,  
18 but is not limited to, all of the following for all written  
19 agreements related to the good jobs for Michigan program created  
20 under chapter 8D:

21 (a) The name of the authorized business.

22 (b) The number of certified new jobs required to be  
23 maintained.

24 (c) The amount and duration of the withholding tax capture  
25 revenues.

26 (17) The report described in subsection (1) must also include  
27 the activities of the critical industry program described in  
28 section 88s.

29 (18) The report described in subsection (1) must also include

1 the activities of the Michigan strategic site readiness program  
2 described in section 88t.

3 **(19) The report described in subsection (1) must also include**  
4 **the activities of the Michigan 360 program described in section**  
5 **88u.**

6 **(20) ~~(19)~~As used in this section, "financial assistance"**  
7 **means grants, loans, other economic assistance, and any other**  
8 **incentives or assistance under this act.**

9 Sec. 88s. (1) The fund shall create ~~and operate~~ the critical  
10 industry program. **The program shall be operated and implemented by**  
11 **the authorized employees, officers, and agents of the fund, which**  
12 **may include employees of the Michigan economic development**  
13 **corporation.** The fund ~~shall use~~ **may expend** money transferred from  
14 the ~~strategic outreach and attraction reserve~~ **make it in Michigan**  
15 fund created in section 4 of the Michigan trust fund act, 2000 PA  
16 489, MCL 12.254, or money appropriated to the program to make  
17 qualified investments **in or provide other economic assistance** to  
18 qualified businesses **as described in this section. The amount of a**  
19 **qualified investment or other economic assistance to be paid to a**  
20 **qualified business under the program shall be reduced by 5%, which**  
21 **shall be retained by the fund for additional administrative**  
22 **expenses under this section.**

23 (2) The fund shall expend money allocated to the Michigan  
24 critical industry program only to provide qualified investments to  
25 qualified businesses for deal-closing, gap financing, or other  
26 economic assistance to create or retain qualified jobs ~~as a result~~  
27 ~~of a technological shift in product or production~~ **that the fund**  
28 **determines are critical to the economic growth and development of**  
29 **this state** or make capital investments, or both, as determined by

1 the fund board. The ~~program must provide for a detailed~~ **fund shall**  
2 **adopt an** application, approval, and compliance process **for the**  
3 **program** that is ~~also published and available on the fund's website~~  
4 **of the fund or the Michigan economic development corporation.**

5 (3) The fund ~~shall~~ **must** consider and document ~~at a minimum~~ all  
6 of the following criteria to the extent reasonably applicable ~~as~~  
7 ~~reasonably determined by the fund board to the type of project~~  
8 ~~proposed~~ before entering into a written agreement for a qualified  
9 investment as provided under subsection (4):

10 (a) The ~~importance~~ **potential economic impact** of the project to  
11 the community in which it is located **and this state.**

12 (b) ~~If~~ **Whether** the project will act as a catalyst for  
13 additional revitalization of **and economic growth in** the community  
14 in which it is located and this state.

15 (c) The amount of local community and financial support for  
16 the project.

17 (d) **The amount of any other economic assistance or support**  
18 **provided by this state for the project.**

19 (e) **The amount of any other economic assistance or support**  
20 **provided by the federal government for the project, including, but**  
21 **not limited to, federal grants, loans, appropriations, or tax**  
22 **credits.**

23 (f) **The amount of any private funds, investments, or**  
24 **contributions for the project, including, but not limited to, the**  
25 **qualified business's own investments in the project.**

26 (g) ~~(d)~~ **The applicant's financial need for a qualified**  
27 **investment from the critical industry program.**

28 (h) ~~(e)~~ **The extent of reuse of vacant buildings, public or**  
29 **private, reuse of historic resources, and redevelopment of blighted**

1 property.

2 **(i)** ~~(f) Creation~~ **The projected creation** or retention of  
 3 qualified jobs **at or** as a result of a ~~technological shift in~~  
 4 ~~product or production at the project location and within this~~  
 5 state.

6 ~~(g) The level of other public funds including, but not limited~~  
 7 ~~to, the appropriation of federal or state funds and any federal or~~  
 8 ~~state tax credits.~~

9 ~~(h) The level of any private funds, investments, or~~  
 10 ~~contributions into the project including, but not limited to, the~~  
 11 ~~qualified business's own investments in the project.~~

12 **(j) Whether the qualified jobs associated with the project are**  
 13 **at or above the median hourly wage of the prosperity region in**  
 14 **which the project is or will be located.**

15 **(k) The extent to which the applicant will leverage the local**  
 16 **skilled workforce and department of labor and economic opportunity**  
 17 **programs for the development and construction at the project**  
 18 **location.**

19 ~~(l) (i) Whether and how the project is financially and~~  
 20 ~~economically sound.~~

21 ~~(m) (j) Whether and how the project promotes sustainable~~  
 22 ~~development. As used in this subdivision, "sustainable development"~~  
 23 ~~means development that uses natural resources responsibly,~~  
 24 ~~minimizes ecological and environmental impacts, and improves~~  
 25 ~~community resilience to natural disasters while preserving the~~  
 26 ~~ability of future generations to meet their own needs.~~

27 ~~(k) Whether and how the project involves the rehabilitation of~~  
 28 ~~a historic resource.~~

29 ~~(n) (l) Whether and how the project addresses areawide~~

1 redevelopment and the overall economic benefit to the existing  
2 supply chain.

3 ~~(o) (m)~~—The level and extent of environmental contamination  
4 **that may be present and would be remediated and the plan for**  
5 **remediating the environmental contamination.**

6 ~~(p) (n)~~—Whether and how the project will compete with or  
7 affect **support** existing Michigan businesses within the same  
8 industry.

9 ~~(o) Whether and how the project's proximity to rail and~~  
10 ~~utility will impact performance of the project and maximize energy~~  
11 ~~and logistics needs in the community in which it is located and in~~  
12 ~~this state.~~

13 ~~(p) The risk of obsolescence of the project, products, and~~  
14 ~~investments in the future.~~

15 ~~(q) (q)~~—The overall return on investment to this state.

16 ~~(r) Whether and how the project addresses food supply~~  
17 ~~challenges.~~

18 ~~(s) Any other additional criteria approved by the board that~~  
19 ~~are specific to each individual project and are consistent with the~~  
20 ~~purpose of this program.~~

21 **(r) Whether the proposed project is or will be located in a**  
22 **qualified opportunity zone, a HUBZone, or a county, city, village,**  
23 **or township with an unemployment rate that exceeds the average**  
24 **unemployment rate in this state.**

25 **(s) If the project is not or will not be located in an area**  
26 **described in subdivision (r), whether the project will be located**  
27 **in a county, city, village, or township experiencing consistent**  
28 **population growth that has a median income higher than the**  
29 **statewide median income.**

1 (t) Whether the proposed project is or will be located in a  
2 county, city, village, or township that is or is projected to be  
3 impacted by industry or technological shifts.

4 (u) Whether the project will result in equitable job growth  
5 based on providing training and advancement opportunities for  
6 employees.

7 (v) Whether the qualified business provides employer-sponsored  
8 benefits, including, but not limited to, health care coverage,  
9 retirement savings, paid family and medical leave, housing  
10 assistance, and child care.

11 (w) The extent to which the qualified business engages or is  
12 engaged with the community in which the project is or will be  
13 located.

14 (x) Whether the employees have the right to self-organization,  
15 to form, join, or assist labor organizations, to bargain  
16 collectively through representatives of their own choosing, and to  
17 engage in other concerned activities for the purpose of collective  
18 bargaining or other mutual aid or protection.

19 (y) Whether the qualified business has downsized or  
20 permanently laid off workers within this state within 2 years of  
21 the potential award and, if downsizing or permanent layoffs  
22 occurred, the salary range of the affected employees. The fund must  
23 consider the net job loss or gain and the overall impact on net  
24 median income when determining whether to award a qualified  
25 investment.

26 (z) The extent that the proposed project will attempt to  
27 coordinate with already existing resources and programs within this  
28 state, including, but not limited to, all of the following:

29 (i) For hiring, employment, workforce development, and other

1 similar needs, the Michigan works one-stop service center system  
2 created under the Michigan works one-stop service center system  
3 act, 2006 PA 491, MCL 408.111 to 408.135.

4 (ii) For community infrastructure investments to expand access  
5 to, increase the affordability of, or otherwise improve high-speed  
6 internet services, the Michigan high-speed internet office created  
7 by Executive Directive No. 2021-2.

8 (iii) For community housing needs and planning, implementation,  
9 and other activities in connection with those needs, the Michigan  
10 state housing development authority created in section 21 of the  
11 state housing development authority act of 1966, 1966 PA 346, MCL  
12 125.1421.

13 (iv) For land acquisition and other land needs for community  
14 investment and planning, implementation, and other activities in  
15 connection with these land needs, the state land bank authority and  
16 local land bank authorities. As used in this subparagraph:

17 (A) "Local land bank authorities" means local authorities and  
18 county authorities as those terms are defined in section 3 of the  
19 land bank fast track act, 2003 PA 258, MCL 124.753.

20 (B) "State land bank authority" means the state authority as  
21 that term is defined in section 3 of the land bank fast track act,  
22 2003 PA 258, MCL 124.753.

23 (v) For transportation needs and planning, implementation, and  
24 other activities in connection with those needs, the state  
25 transportation department.

26 (4) If the fund determines, after ~~making the considerations~~  
27 ~~under considering the criteria in~~ subsection (3) and determining  
28 that the project reasonably satisfies the applicable criteria, to  
29 award a qualified investment to a qualified business under this

1 program, the fund shall enter into a written agreement with the  
 2 qualified business that includes ~~in a clear and concise manner all~~  
 3 ~~of the~~ terms and conditions ~~relating~~ **related** to the qualified  
 4 investment as determined and documented by the fund. ~~board,~~  
 5 ~~including, but not limited to,~~ **In determining whether a project**  
 6 **reasonably satisfies the criteria in subsection (3), the fund shall**  
 7 **make a holistic evaluation of the applicable criteria in subsection**  
 8 **(3) to determine if the goals of the program, as described in this**  
 9 **section, will be met. A project is not required to satisfy all of**  
 10 **the criteria for the fund to determine that the project reasonably**  
 11 **satisfies the criteria in subsection (3). Before entering into the**  
 12 **written agreement, the fund must submit a copy of the negotiated**  
 13 **terms to the senate majority leader, the speaker of the house of**  
 14 **representatives, and the chairs of the senate and house of**  
 15 **representatives appropriations committees along with the fund's**  
 16 **written analysis of the criteria under subsection (3). The written**  
 17 **agreement must include all of the following provisions:**

18 (a) **The amount of the total qualified investment to be**  
 19 **awarded.**

20 (b) ~~(a) Specific time frames~~ **dates** and benchmarks ~~to be met~~  
 21 ~~before~~ **for** the qualified business ~~receives a~~ **to receive the**  
 22 **qualified investment, including conditions for the** disbursement of  
 23 **money** in installments. ~~under the critical industry program pursuant~~  
 24 ~~to the approved qualified investment.~~

25 (c) ~~(b) Specific terms relating to the required~~ **qualified job**  
 26 **creation or retention of qualified jobs, as a result of a**  
 27 ~~technological shift in product or production at the project~~  
 28 ~~location and within this state,~~ including measurable outcomes,  
 29 proration of payments for partial performance, **and** clawback and

1 specific repayment provisions for ~~breach of noncompliance with~~ the  
2 agreement. ~~, or for failure to meet measurable outcomes.~~

3 (d) ~~(e)~~ Specific penalties for noncompliance with the written  
4 agreement as determined by the fund.

5 (e) ~~(d)~~ A provision that all money that is subject to a  
6 clawback or required to be repaid under a specific repayment  
7 provision must be paid ~~within~~ **not later than** 90 days ~~of~~ **after**  
8 notification by the fund. Any amounts not paid within that 90-day  
9 period are subject to a penalty of 1% per month, prorated on a  
10 daily basis.

11 (f) **An audit provision that requires the fund to verify that**  
12 **the benchmarks required for the project have been satisfied.**

13 (g) ~~(e)~~ A provision that this state ~~shall~~ **may** have a security  
14 interest as defined in section ~~1201(2)(ii)~~ **1201** of the uniform  
15 commercial code, 1962 PA 174, MCL 440.1201, ~~to the extent of the~~  
16 ~~qualified investment.~~ **as determined by the fund board.** This  
17 provision does not apply if it conflicts with any contractual  
18 obligation of the qualified business or any federal or state  
19 bankruptcy or insolvency laws.

20 (h) ~~(f)~~ A provision that the qualified business will provide  
21 the data described in the written agreement ~~that are necessary for~~  
22 the fund to report to the legislature as required under this  
23 program.

24 (i) ~~(g)~~ A provision that the qualified business may enter into  
25 direct agreements with workforce training providers, when  
26 appropriate, as determined by the fund to meet the workforce  
27 requirements of ~~a~~ **the** qualified investment.

28 (j) **A provision that, to the knowledge of the applicant, there**  
29 **are no proceedings pending before any government commission, board,**

1 bureau, or other administrative agency or tribunal that would have  
 2 a materially adverse effect on the project or the performance of  
 3 the applicant's obligations under the written agreement.

4 (5) If the fund receives a request to modify an existing  
 5 written agreement, for a qualified investment under this program,  
 6 the fund must provide a copy of that requested modification to each  
 7 ~~member of the legislature, the senate majority leader, the speaker~~  
 8 **of the house of representatives, the chairs of the senate and house**  
 9 **of representatives appropriations committees,** the governor, the  
 10 clerk of the house of representatives, the secretary of the senate,  
 11 and the senate and house fiscal agencies within 5 business days of  
 12 the receipt of the modification request **and before entering into an**  
 13 **amended written agreement.** In addition to the copy of the request  
 14 for modification, the notice provided under this subsection must  
 15 also include the specific provisions to be modified and the  
 16 rationale for considering the modification. Before the fund  
 17 modifies an existing written agreement for a qualified investment,  
 18 the fund must give notice of the proposed amendments and publish  
 19 them on the fund's internet website at least 1 business day ~~prior~~  
 20 ~~to~~ **before** a public hearing on the proposed amendments. If the fund  
 21 approves and modifies an existing written agreement under this  
 22 subsection, the fund must provide a copy of that amended written  
 23 agreement to each ~~member of the legislature, the senate majority~~  
 24 **leader, the speaker of the house of representatives, the chairs of**  
 25 **the senate and house of representatives appropriations committees,**  
 26 the governor, the clerk of the house of representatives, the  
 27 secretary of the senate, and the senate and house fiscal agencies  
 28 within 1 business day of the modification.

29 (6) ~~If the fund board seeks to make a determination as to~~ **In**

1 **determining** whether a qualified investment approved under this  
 2 program represents a fair exchange of value for value, the fund may  
 3 consider the total value to this state of the qualified investment  
 4 and the best interests of this state, including, but not limited  
 5 to, any positive economic impact to this state likely to be  
 6 generated by the qualified business pursuant to the written  
 7 agreement for a qualified investment, especially economic impact  
 8 resulting in the location of a high-economic-impact business  
 9 facility in this state, increased capital investment in this state,  
 10 and the creation or retention of qualified jobs ~~as a result of a~~  
 11 ~~technological shift in product or production in this state~~ **that the**  
 12 **fund determines are critical to the economic growth and development**  
 13 **of this state.**

14 (7) The fund ~~board~~ shall not disburse funds allocated to the  
 15 program for a qualified investment **under this section** to a  
 16 qualified business if that qualified business has not fully repaid  
 17 all money subject to clawback or required to be repaid under a  
 18 specific repayment provision as provided in any written agreement  
 19 under this act, or if that qualified business is in default on any  
 20 grant, loan, investment, or other economic assistance made or  
 21 guaranteed by this state. All money paid to the fund pursuant to a  
 22 clawback or specific repayment provision for a qualified investment  
 23 under this ~~program shall~~ **section must** be deposited in the ~~strategie~~  
 24 ~~outreach and attraction reserve fund created in section 4 of the~~  
 25 ~~Michigan trust fund act, 2000 PA 489, MCL 12.254. The fund shall~~  
 26 ~~not use money allocated to the program for administrative purposes.~~  
 27 **general fund.** Any money that is allocated to the program that  
 28 remains unexpended, unallocated, or unobligated at the end of a  
 29 fiscal year ~~shall revert~~ **reverts** back to the ~~strategie outreach and~~

1 ~~attraction reserve fund created in section 4 of the Michigan trust~~  
 2 ~~fund act, 2000 PA 489, MCL 12.254.~~**general fund.**

3 (8) Not later than March 15 of each year, the fund shall  
 4 transmit to each member of the legislature, the governor, the clerk  
 5 of the house of representatives, the secretary of the senate, and  
 6 the senate and house fiscal agencies a report on the activities of  
 7 the critical industry program. The report must include **all of** the  
 8 following:

9 (a) A list of qualified businesses that received a qualified  
 10 investment.

11 (b) The type of project or product approved for a qualified  
 12 investment.

13 (c) The amount and type of qualified investment.

14 (d) For each separate form of qualified investment, all of the  
 15 following:

16 (i) The number of qualified jobs committed or projected to be  
 17 created or retained ~~as a result of a technological shift in product~~  
 18 ~~or production~~ when the qualified investment was applied for.

19 (ii) The actual number of qualified jobs created or retained.  
 20 ~~as a result of a technological shift in product or production that~~  
 21 ~~are not temporary employees.~~

22 (iii) The ~~average~~**median** annual salary of the qualified jobs  
 23 created or retained. ~~as a result of a technological shift in~~  
 24 ~~product or production that are not temporary employees.~~

25 (e) The duration of the qualified investment.

26 (f) The amount of other financial assistance other than state  
 27 resources.

28 (g) Money or other revenue or property returned to the  
 29 ~~strategic outreach and attraction reserve fund, created in section~~

1 ~~4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254~~ **general**  
 2 **fund**, including any clawbacks and repayments due to a breach of the  
 3 written agreement.

4 (9) If the fund fails to transmit the report as required in  
 5 subsection (8) on or before March 15, the fund board shall not  
 6 disburse funds for a qualified investment under this program until  
 7 it transmits the report as required under subsection (8).

8 (10) The legislature finds and declares that funding provided  
 9 under this program is for a public purpose and serves the health,  
 10 safety, and general welfare of the residents of this state.

11 (11) As used in this section:

12 (a) "Critical industry program" or "program" means the  
 13 critical industry program created ~~in~~**under** subsection (1).

14 **(b) "HUBZone" means that term as defined in 13 CFR part 126.**

15 ~~(c)~~ **(c)** "Qualified business" means a business that is located  
 16 in or operates in this state or will locate or will operate in this  
 17 state as determined by the fund board. A qualified business may  
 18 include more than 1 business as determined by the fund board.

19 ~~(d)~~ **(d)** ~~(e)~~ "Qualified investment" means a grant, loan, or other  
 20 economic assistance for a project subject to a written agreement  
 21 with a qualified business under this program. Qualified investment  
 22 includes a grant, loan, or other economic assistance for creation  
 23 or retention of qualified jobs ~~as a result of a technological shift~~  
 24 ~~in product or production,~~ **that the fund determines are critical to**  
 25 **the economic growth and development of this state**, infrastructure  
 26 improvements, other capital investments, the purchase or  
 27 acquisition of heavy machinery, or other assistance, including, but  
 28 not limited to, an agreement providing for assistance via the  
 29 transportation economic development fund created under section 2 of

1 1987 PA 231, MCL 247.902. Qualified investment also includes a  
2 grant, loan, or other economic assistance for job training  
3 opportunities or workforce development and education, or both.

4 (e) ~~(d)~~—"Qualified job" means a **permanent, full-time** job  
5 performed by an individual who is a resident of this state whose  
6 Michigan income taxes are withheld by an employer, or an employee  
7 leasing company or professional employer organization on behalf of  
8 the employer, or by an individual who is not a resident of this  
9 state and is employed by a business at a project location that is  
10 located in this state, as determined and verified by the fund.

11 Sec. 88t. (1) The fund shall create ~~and operate~~ the Michigan  
12 strategic site readiness program. **The program shall be operated and**  
13 **implemented by the authorized employees, officers, and agents of**  
14 **the fund, which may include employees of the Michigan economic**  
15 **development corporation.** The fund ~~shall use the program~~ **may expend**  
16 money transferred from the ~~strategic outreach and attraction~~  
17 ~~reserve~~ **make it in Michigan** fund created in section 4 of the  
18 Michigan trust fund act, 2000 PA 489, MCL 12.254, or money  
19 appropriated to the program to make grants, loans, or other  
20 economic assistance under this program **as described in this**  
21 **section. The amount of a grant, loan, or other economic assistance**  
22 **to be paid to an eligible applicant under the program shall be**  
23 **reduced by 5%, which shall be retained by the fund for additional**  
24 **administrative expenses under this section.**

25 (2) The fund shall expend money allocated to the Michigan  
26 strategic site readiness program only to provide grants, loans, and  
27 other economic assistance for eligible applicants ~~to conduct~~ **for**  
28 eligible activities for the purpose of creating investment-ready  
29 sites to attract and promote investment in this state for eligible

1 activities on, or related to, strategic sites and mega-strategic  
 2 sites. ~~The program must provide for a detailed~~ **fund shall adopt an**  
 3 application, approval, and compliance process that is ~~also~~  
 4 published and available on the ~~fund's website~~ **of the fund or the**  
 5 **Michigan economic development corporation.** The ~~detailed~~  
 6 application, approval, and compliance process must, at a minimum,  
 7 provide ~~for all of the~~ following:

8 (a) An eligible applicant may apply for a grant, loan, or  
 9 other economic assistance in a form and manner determined by the  
 10 fund.

11 (b) The fund ~~shall~~ **must** establish separate application  
 12 criteria for mega-strategic sites and for strategic sites that are  
 13 not mega-strategic sites. ~~and for sites that have, and that do not~~  
 14 ~~have, a specifically identified end user.~~

15 (3) Before approving an application under this section, the  
 16 fund ~~shall~~ **must** consider and document ~~, at a minimum,~~ all of the  
 17 following criteria to the extent reasonably applicable ~~as~~  
 18 ~~reasonably determined by the fund board to the type of project~~  
 19 ~~proposed~~ before entering into a written agreement for a grant,  
 20 loan, or other economic assistance as provided under this program:

21 (a) ~~The importance of the project or eligible activities to~~  
 22 ~~the community in which it is located.~~ **The potential economic impact**  
 23 **of the project to this state.**

24 (b) ~~If~~ **Whether** the project will act as a catalyst for  
 25 additional ~~revitalization of the community in which it is located~~  
 26 ~~and~~ **economic growth in** this state.

27 (c) The amount of local community and financial support for  
 28 the project.

29 (d) The amount of any other economic assistance or support

1 provided by this state for the project.

2 (e) The amount of any other economic assistance or support  
3 provided by the federal government for the project, including, but  
4 not limited to, federal **grants, loans**, appropriations, or tax  
5 credits.

6 (f) The amount of any private funds, ~~or~~ investments, **or**  
7 **contributions** for the project, including, **but not limited to**, the  
8 applicant's own investments in the project.

9 (g) The applicant's financial need for a grant, loan, or other  
10 economic assistance under this program.

11 (h) The extent of reuse of vacant buildings, public or  
12 private, reuse of historic resources, and redevelopment of blighted  
13 property.

14 (i) ~~Creation~~ **The projected creation** or retention of qualified  
15 jobs **at or** as a result of a ~~technological shift in product or~~  
16 ~~production at the project location and within this state.~~

17 (j) **The extent to which the applicant will leverage the local**  
18 **skilled workforce and department of labor and economic opportunity**  
19 **programs for the development and construction at the project**  
20 **location.**

21 (k) ~~(j)~~ Whether and how the project is financially and  
22 economically sound.

23 ~~(k) Whether and how the project converts abandoned public~~  
24 ~~buildings to private use.~~

25 (l) Whether and how the project promotes sustainable  
26 development. **As used in this subdivision, "sustainable development"**  
27 **means development that uses natural resources responsibly,**  
28 **minimizes ecological and environmental impacts, and improves**  
29 **community resilience to natural disasters while preserving the**

1 **ability of future generations to meet their own needs.**

2 ~~(m) Whether and how the project involves the rehabilitation of~~  
3 ~~a historic resource.~~

4 **(m)** ~~(n)~~ Whether and how the project addresses areawide  
5 redevelopment.

6 ~~(o) Whether and how the project addresses underserved markets~~  
7 ~~of commerce.~~

8 **(n)** ~~(p)~~ The level and extent of **any** environmental  
9 contamination **that may be present and would be remediated and the**  
10 **plan for remediating the environmental contamination.**

11 ~~(q) Whether and how the project will compete with or affect~~  
12 ~~existing Michigan businesses within the same industry.~~

13 **(o)** ~~(r)~~ Whether and how the project's proximity to rail and  
14 utility will impact performance of the project and maximize energy  
15 and logistics needs in the community in which it is located and in  
16 this state.

17 ~~(s) The risk of obsolescence of the project, products, and~~  
18 ~~investments in the future.~~

19 **(p) Whether the project is or will be located in a county,**  
20 **city, village, or township with an unemployment rate that exceeds**  
21 **the average unemployment rate in this state.**

22 **(q) Whether the project is or will be located in a county,**  
23 **city, village, or township that is or is projected to be impacted**  
24 **by industry or technological shifts.**

25 **(r)** ~~(t)~~ The overall return on investment to this state.

26 **(s) The strategic economic importance of the project to the**  
27 **community in which it is located and to this state.**

28 **(t) Whether financial assistance is needed to secure the**  
29 **project in this state.**

1           (u) The degree to which the project is a priority for the  
2 local governmental unit or local economic development corporation  
3 in the jurisdiction of which the site is located.

4           (v) The level of capital investment.

5           (w) The evidence of the end user's commitment to the site.

6           ~~(u) Whether the proposed strategic site or mega-strategic site  
7 is incorporated into a strategic plan of a political subdivision of  
8 this state.~~

9           ~~(v) Any other additional criteria approved by the fund board  
10 that are specific to each individual project and are consistent  
11 with the purpose of this program.~~

12           (4) If the fund determines, after ~~the considerations under~~  
13 **considering the criteria in** subsection (3) **and determining that the**  
14 **project reasonably satisfies the applicable criteria,** to provide a  
15 grant, loan, or other economic assistance to an eligible applicant  
16 under this program, the fund shall enter into a written agreement  
17 with the eligible applicant that includes ~~in a clear and concise~~  
18 ~~manner all of the~~ terms and conditions related to the grant, loan,  
19 or other economic assistance as determined and documented by the  
20 fund. ~~board, including, but not limited to,~~ **In determining whether**  
21 **a project reasonably satisfies the criteria in subsection (3), the**  
22 **fund shall make a holistic evaluation of the applicable criteria in**  
23 **subsection (3) to determine if the goals of the program, as**  
24 **described in this section, will be met. A project is not required**  
25 **to satisfy all of the criteria for the fund to determine that the**  
26 **project reasonably satisfies the criteria in subsection (3). Before**  
27 **entering into the written agreement, the fund must submit a copy of**  
28 **the negotiated terms to the senate majority leader, the speaker of**  
29 **the house of representatives, and the chairs of the senate and**

1 house of representatives appropriations committees along with the  
 2 fund's written analysis of the criteria under subsection (3). The  
 3 written agreement must include all of the following provisions:

4 (a) The amount of the grant, loan, or other economic  
 5 assistance to be awarded.

6 (b) ~~(a)~~ Specific dates and benchmarks for the eligible  
 7 applicant to receive a grant, loan, or other economic assistance  
 8 **funding** under this program, including conditions for the  
 9 disbursement of ~~funds~~ **money** in installments.

10 (c) ~~(b)~~ For a grant, a loan, or other economic assistance  
 11 provided to a ~~person identified~~ **an eligible applicant** as the end  
 12 user of the site, a clawback and specific repayment provision ~~if~~  
 13 ~~the person fails to comply with the provisions of~~ **for noncompliance**  
 14 **with** the written agreement.

15 (d) ~~(c)~~ A provision that all money that is subject to clawback  
 16 or required to be repaid under a specific repayment provision must  
 17 be paid ~~within~~ **not later than** 90 days ~~of~~ **after** notification by the  
 18 fund. Any amounts not paid within that 90-day period are subject to  
 19 a penalty of 1% per month, prorated on a daily basis.

20 (e) ~~(d)~~ A provision that this state ~~shall~~ **may** have a security  
 21 interest as defined in section ~~1201(2)(ii)~~ **1201** of the uniform  
 22 commercial code, 1962 PA 174, MCL 440.1201, ~~to the extent of the~~  
 23 ~~grant, loan, or other economic assistance provided under this~~  
 24 ~~program.~~ **as determined by the fund board.** This provision does not  
 25 apply if it conflicts with any contractual obligation of the  
 26 eligible applicant or any federal or state bankruptcy or insolvency  
 27 laws.

28 (f) ~~(e)~~ An audit provision that requires the fund to verify  
 29 that the ~~established~~ benchmarks **required** for the project have been

1 ~~met.~~satisfied.

2 (g) A provision that the eligible applicant will provide the  
3 data described in the written agreement necessary for the fund to  
4 report to the legislature as required under this program.

5 ~~(5) In addition to the considerations under subsection (3), in~~  
6 ~~determining whether to approve a grant, loan, or other economic~~  
7 ~~assistance for a strategic site for which an end user has not been~~  
8 ~~specifically identified, the fund shall consider and document, as~~  
9 ~~reasonably determined by the fund board, at a minimum all of the~~  
10 ~~following:~~

11 ~~(a) The degree to which the proposed site demonstrates a high~~  
12 ~~level of competitiveness for future development, considering and~~  
13 ~~documenting all of the following:~~

14 ~~(i) Whether the proposed site is currently assembled.~~

15 ~~(ii) Whether the proposed site is under site control.~~

16 ~~(iii) Whether the proposed site is of a size, configuration,~~  
17 ~~location, and condition that makes the site substantially ready for~~  
18 ~~marketing and competitive for development upon completion of the~~  
19 ~~grant, loan, or other economic assistance proposed to be offered~~  
20 ~~under this program and demonstrated matching contributions.~~

21 ~~(b) Whether the proposed investment will result in the~~  
22 ~~elimination of blight and the remediation of environmental~~  
23 ~~contamination.~~

24 ~~(c) The degree of local matching contributions.~~

25 ~~(d) Whether the award will promote geographic equity in the~~  
26 ~~distribution of funds between different areas of this state.~~

27 ~~(e) Whether the eligible applicant has pursued all available~~  
28 ~~cost-containment measures.~~

29 ~~(6) In determining whether to approve a grant, loan, or other~~

1 ~~economic assistance for a mega-strategic site for which an end user~~  
 2 ~~has not been specifically identified, the fund shall consider and~~  
 3 ~~document, in addition to the criteria in subsections (3) and~~  
 4 ~~(5)(a), at a minimum all of the following criteria related to the~~  
 5 ~~strategic basis for the investment and feasibility of the~~  
 6 ~~investment:~~

7 ~~(a) Whether the proposed mega-strategic site is supported by a~~  
 8 ~~strategic analysis that supports the demand for that site.~~

9 ~~(b) The feasibility of proposed land acquisition.~~

10 ~~(c) Utility and transportation availability, and the~~  
 11 ~~feasibility of necessary utility and transportation improvements.~~

12 ~~(d) Workforce availability and training capability.~~

13 ~~(e) Environmental and topographical conditions, and the~~  
 14 ~~feasibility of necessary site improvements to address environmental~~  
 15 ~~and topographical conditions.~~

16 ~~(7) In addition to the considerations under subsection (3), in~~  
 17 ~~determining whether to approve a grant, loan, or other economic~~  
 18 ~~assistance for a project for which an end user has been~~  
 19 ~~specifically identified, the fund shall consider and document, as~~  
 20 ~~reasonably determined by the fund board, all of the following:~~

21 ~~(a) The strategic economic importance of the project to the~~  
 22 ~~community in which it is located and to this state.~~

23 ~~(b) Whether the financial assistance is needed to secure the~~  
 24 ~~project in this state.~~

25 ~~(c) The degree to which the project is a priority for the~~  
 26 ~~local governmental unit or local economic development corporation~~  
 27 ~~in the jurisdiction of which the site is located.~~

28 ~~(d) The level of creation or retention of qualified jobs as a~~  
 29 ~~result of a technological shift in product or production.~~

1 ~~(e) Whether the qualified jobs created or retained as a result~~  
 2 ~~of a technological shift in product or production equal or exceed~~  
 3 ~~the average wage for the county in which the project is located.~~

4 ~~(f) The level of capital investment.~~

5 ~~(g) The evidence of the end user's commitment to the site.~~

6 **(5) (8)**—If the fund receives a request to modify an existing  
 7 written agreement for a grant, loan, or other economic assistance  
 8 under this program, the fund must provide a copy of that requested  
 9 modification to ~~each member of the legislature,~~ **the senate majority**  
 10 **leader, the speaker of the house of representatives, the chairs of**  
 11 **the senate and house of representatives appropriations committees,**  
 12 the governor, the clerk of the house of representatives, the  
 13 secretary of the senate, and the senate and house fiscal agencies  
 14 within 5 business days of the receipt of the modification request  
 15 **and before entering into an amended written agreement.** In addition  
 16 to the copy of the request for modification, the notice provided  
 17 under this subsection must also include the specific provisions to  
 18 be modified and the rationale for considering the modification.  
 19 Before the fund modifies an existing written agreement for a grant,  
 20 loan, or other economic assistance under this program, the fund  
 21 must give notice of the proposed amendments and publish them on the  
 22 fund's internet website at least 1 business day ~~prior to~~ **before** a  
 23 public hearing on the proposed amendments. If the fund approves and  
 24 modifies an existing written agreement under this subsection, the  
 25 fund must provide a copy of that amended written agreement to ~~each~~  
 26 ~~member of the legislature,~~ **the senate majority leader, the speaker**  
 27 **of the house of representatives, the chairs of the senate and house**  
 28 **of representatives appropriations committees,** the governor, the  
 29 clerk of the house of representatives, the secretary of the senate,

1 and the senate and house fiscal agencies within 1 business day of  
2 the modification.

3 ~~(9) In making an award for a mega-strategic site under this~~  
4 ~~program that does not have a specifically identified end user, the~~  
5 ~~fund, working in collaboration with the eligible applicant, shall~~  
6 ~~prepare a mega-strategic site investment strategy and spending plan~~  
7 ~~that details the sequence and cost of anticipated investments in~~  
8 ~~the selected mega-strategic site, the benchmarks for bringing the~~  
9 ~~mega-strategic site to a marketable condition, and the marketing~~  
10 ~~strategy for the mega-site. Each plan must have the objective of~~  
11 ~~establishing a certified mega-strategic site under a nationally~~  
12 ~~recognized third-party certification program.~~

13 ~~(6) (10)~~ The fund shall post on its website or post on the  
14 website of the Michigan economic development corporation, not less  
15 than every 3 months, the name of the eligible applicant or  
16 applicants, the location of each site that received a grant, loan,  
17 or other economic assistance under this program in that period, and  
18 the amount of the grant, loan, or other economic assistance.

19 ~~(11) Notwithstanding anything to the contrary in this section,~~  
20 ~~the program may make grants and provide technical assistance to~~  
21 ~~local economic development corporations for the purpose of creating~~  
22 ~~an inventory of development ready sites, provided that the~~  
23 ~~inventory shall utilize nationally recognized criteria to identify~~  
24 ~~the readiness of those sites for investment, and provided further~~  
25 ~~that the fund shall maintain a comprehensive inventory of those~~  
26 ~~sites on its website. The inventory maintained on the website shall~~  
27 ~~include in an interactive and user-friendly manner a listing of all~~  
28 ~~local and state development-ready sites and any pictures, maps, and~~  
29 ~~other documentation related to those sites.~~

1           (7) Subject to the approval of the fund, local and regional  
2 economic development organizations may use funds for the  
3 acquisition of real property or interests in real property.

4           (8) Notwithstanding anything contrary in this section, the  
5 fund may enter into a written agreement with a land bank fast track  
6 authority created under the land bank fast track act, 2003 PA 258,  
7 MCL 124.751 to 124.774, as the fund determines necessary for the  
8 purposes of implementing this section.

9           (9) ~~(12)~~—The fund ~~board~~ shall not disburse money from the  
10 program for a grant, loan, or other economic assistance to an  
11 eligible applicant if that eligible applicant has not fully repaid  
12 all money subject to clawback or required to be repaid under a  
13 specific repayment provision as provided in any written agreement  
14 under this act, or if that eligible applicant is in default on any  
15 grant, loan, or other economic assistance made or guaranteed by  
16 this state. All money paid to the fund pursuant to a clawback or  
17 specific repayment provision for a grant, loan, or other economic  
18 assistance under this program ~~shall~~ **must** be deposited in the  
19 ~~strategic outreach and attraction reserve fund created in section 4~~  
20 ~~of the Michigan trust fund act, 2000 PA 489, MCL 12.254. The fund~~  
21 ~~shall not use money allocated to the program for administrative~~  
22 ~~purposes.~~ **general fund.** Any money that is allocated to the program  
23 that remains unexpended, unallocated, or unobligated at the end of  
24 the fiscal year ~~shall revert~~ **reverts** back to the ~~strategic outreach~~  
25 ~~and attraction reserve fund created in section 4 of the Michigan~~  
26 ~~trust fund act, 2000 PA 489, MCL 12.254.~~ **general fund.**

27           (10) ~~(13)~~—Not later than March 15 of each year, the fund shall  
28 transmit to each member of the legislature, the governor, the clerk  
29 of the house of representatives, the secretary of the senate, and

1 the senate and house fiscal agencies a report on the activities of  
 2 the Michigan strategic site readiness fund. The report must include  
 3 **all of** the following:

4 (a) A list of eligible applicants that received a grant, loan,  
 5 or other economic assistance.

6 (b) The type of project or eligible activities approved for an  
 7 award under this program.

8 (c) The amount and type of each award.

9 (d) The duration of the grant, loan, or other economic  
 10 assistance.

11 (e) The amount of other financial assistance other than state  
 12 resources.

13 (f) Money or other revenue or property returned to the  
 14 ~~strategic outreach and attraction reserve~~ **general** fund, including  
 15 any clawbacks and repayments due to a breach of the written  
 16 agreement.

17 **(11)** ~~(14)~~—If the fund fails to transmit the report as required  
 18 in subsection ~~(13)~~ **(10)** on or before March 15, the fund board shall  
 19 not disburse money for a grant, loan, or other economic assistance  
 20 under this program until it transmits the report as required under  
 21 subsection ~~(13)~~ **(10)**.

22 **(12)** ~~(15)~~—The legislature finds and declares that funding  
 23 provided under this program is for a public purpose and serves the  
 24 health, safety, and general welfare of the residents of this state.

25 **(13)** ~~(16)~~—As used in this section:

26 (a) "Eligible activities" means, with respect to a site that  
 27 is the subject of an application under this program, 1 or more of  
 28 the following:

29 (i) Land acquisition and assembly, **including land holding**

1 **costs.**

2 (ii) Site preparation and improvement.

3 (iii) Infrastructure improvements that directly benefit the  
4 site, including, but not limited to, transportation infrastructure,  
5 water and wastewater infrastructure, and utilities necessary to  
6 service the site.

7 (iv) Any demolition, construction, alteration, rehabilitation,  
8 or improvement of buildings on the site.

9 (v) Environmental remediation.

10 (vi) Architectural, engineering, surveying, and similar  
11 professional fees.

12 **(vii) Administrative fees for administrative costs incurred by**  
13 **the eligible applicant, and any applicable subrecipients of an**  
14 **eligible applicant, relating to administering the funding provided**  
15 **under this program, but not to exceed 5% of the amount of the**  
16 **grant, loan, or other economic assistance awarded to the eligible**  
17 **applicant under this program.**

18 (b) "Eligible applicant" means an applicant that is 1 or more  
19 of the following:

20 (i) A political subdivision of this state, including, but not  
21 limited to, a county, city, village, township, charter township, or  
22 instrumentality of a county, city, village, township, or charter  
23 township.

24 (ii) A local economic development corporation or similar  
25 entity.

26 (iii) A person who is the owner of the site for which the  
27 improvements are proposed, but who is not the end user of that  
28 site, ~~provided that if~~ that person ~~must apply~~ **applies** jointly with  
29 an applicant under subparagraph (i) or (ii).

1           (iv) ~~In the case of an application for a site for which a~~  
 2 ~~specific person has been identified as the end user, the person~~ **The**  
 3 **entity** that is or will be the end user of that site.

4           (c) "End user" means the ~~person,~~ **entity**, either directly or  
 5 through an affiliate, that will establish and operate the  
 6 manufacturing or other commercial enterprise that constitutes the  
 7 end use of the improved site.

8           (d) "Mega-strategic site" means a strategic site that is or  
 9 will be used for a large industrial project.

10           (e) "Michigan strategic site readiness program" or "program"  
 11 means the Michigan strategic site readiness program created ~~in~~  
 12 **under** subsection (1).

13           (f) "Qualified job" means a **permanent, full-time** job performed  
 14 by an individual who is a resident of this state whose Michigan  
 15 income taxes are withheld by an employer, or an employee leasing  
 16 company or professional employer organization on behalf of the  
 17 employer, or by an individual who is not a resident of this state  
 18 and is employed by a business at a project location that is located  
 19 in this state, as determined and verified by the fund.

20           (g) "Strategic site" means a site, whether publicly or  
 21 privately owned, that is, or subsequent to a proposed acquisition  
 22 will be, used for manufacturing or other commercial use.

23           **Sec. 88u. (1) The fund shall create the Michigan 360 program.**  
 24 **The program shall be operated and implemented by the authorized**  
 25 **employees, officers, and agents of the fund, which may include**  
 26 **employees of the department of labor and economic opportunity. The**  
 27 **fund may expend money transferred from the make it in Michigan fund**  
 28 **created in section 4 of the Michigan trust fund act, 2000 PA 489,**  
 29 **MCL 12.254, or other money appropriated to the program to make**

1 qualified investments under the program as described in this  
2 section. The amount of a qualified investment to be paid to an  
3 eligible applicant under the program shall be reduced by 5%, which  
4 shall be retained by the fund for additional administrative  
5 expenses under this section.

6 (2) The fund shall expend money allocated to the Michigan 360  
7 program only to provide qualified investments to eligible  
8 applicants to support eligible 360 activities under this section.  
9 The fund shall adopt an application, approval, and compliance  
10 process for the program that is published and available on the  
11 website of the fund or the Michigan economic development  
12 corporation.

13 (3) The fund must consider and document all of the following  
14 criteria regarding the proposed project and the proposed eligible  
15 360 activities as defined for the proposed project before entering  
16 into a written agreement for a qualified investment as provided  
17 under subsection (4):

18 (a) The potential economic impact of the project to the  
19 community and to this state.

20 (b) The degree to which the project is a priority for the  
21 municipality in which the qualified investment will be made.

22 (c) Whether the project will act as a catalyst for additional  
23 economic growth in the community and in this state.

24 (d) Whether the eligible 360 activities will invest in public  
25 transportation or infrastructure supports in the community.

26 (e) Whether the eligible 360 activities will support workforce  
27 training and development needs in the community.

28 (f) The extent to which the eligible 360 activities will  
29 support the growth of 1 or more of the following in the community:

1 (i) Local downtowns.

2 (ii) Central business districts.

3 (iii) Small businesses.

4 (iv) Local business hubs.

5 (g) Whether the eligible 360 activities will support the  
6 childcare needs of the community required to support the local  
7 workforce.

8 (h) Whether the eligible 360 activities will provide local  
9 housing to support growth in the community related to the project.

10 (i) Whether the eligible 360 activities will reuse vacant  
11 buildings or historic resources or redevelop blighted property.

12 (j) The extent that the eligible 360 activities will attempt  
13 to coordinate with already existing resources and programs within  
14 this state, including, but not limited to, all of the following:

15 (i) For hiring, employment, workforce development, and other  
16 similar needs, the Michigan works one-stop service center system  
17 created under the Michigan works one-stop service center system  
18 act, 2006 PA 491, MCL 408.111 to 408.135.

19 (ii) For community infrastructure investments to expand access  
20 to, increase the affordability of, or otherwise improve high-speed  
21 internet services, the Michigan high-speed internet office created  
22 by Executive Directive No. 2021-2.

23 (iii) For community housing needs and planning, implementation,  
24 and other activities in connection with those needs, the Michigan  
25 state housing development authority created in section 21 of the  
26 state housing development authority act of 1966, 1966 PA 346, MCL  
27 125.1421.

28 (iv) For land acquisition and other land needs for community  
29 investment and planning, implementation, and other activities in

1 connection with these land needs, land bank fast track authorities.

2 (v) For transportation needs and planning, implementation, and  
3 other activities in connection with those needs, the state  
4 transportation department.

5 (4) If the fund determines, after considering the criteria in  
6 subsection (3) and determining that the project and related  
7 eligible 360 activities reasonably satisfy the applicable criteria,  
8 to award a qualified investment to an eligible applicant under this  
9 program, the fund shall enter into a written agreement with the  
10 eligible applicant that includes the terms and conditions related  
11 to the qualified investment as determined and documented by the  
12 fund. In determining whether a project and related eligible 360  
13 activities reasonably satisfy the criteria in subsection (3), the  
14 fund shall make a holistic evaluation of the applicable criteria in  
15 subsection (3) to determine if the goals of the program, as  
16 described in this section, will be met. A project and related  
17 eligible 360 activities are not required to satisfy all of the  
18 criteria for the fund to determine that the project and related  
19 eligible 360 activities reasonably satisfy the criteria in  
20 subsection (3). Before entering into the written agreement, the  
21 fund must submit a copy of the negotiated terms to the senate  
22 majority leader, the speaker of the house of representatives, and  
23 the chairs of the senate and house of representatives  
24 appropriations committees along with the fund's written analysis of  
25 the criteria under subsection (3). The written agreement must  
26 include all of the following provisions:

27 (a) The amount of the total qualified investment to be  
28 awarded.

29 (b) Specific dates and benchmarks for the eligible applicant

1 to receive the qualified investment, including conditions for the  
2 disbursement of money in installments.

3 (c) Specific terms relating to measurable outcomes, proration  
4 of payments for partial performance, and clawback and specific  
5 repayment provisions for noncompliance with the agreement.

6 (d) An audit provision that requires the fund to verify that  
7 the benchmarks required for the project have been satisfied.

8 (e) A provision that the eligible applicant will provide the  
9 data described in the written agreement necessary for the fund to  
10 report to the legislature as required under this program.

11 (5) If the fund receives a request to modify an existing  
12 written agreement for a qualified investment under this program,  
13 the fund must provide a copy of that requested modification to the  
14 senate majority leader, the speaker of the house of  
15 representatives, the chairs of the senate and house of  
16 representatives appropriations committees, the governor, the clerk  
17 of the house of representatives, the secretary of the senate, and  
18 the senate and house fiscal agencies within 5 business days of the  
19 receipt of the modification request and before entering into an  
20 amended written agreement. In addition to the copy of the request  
21 for modification, the notice provided under this subsection must  
22 also include the specific provisions to be modified and the  
23 rationale for considering the modification. Before the fund  
24 modifies an existing written agreement for a qualified investment,  
25 the fund must give notice of the proposed amendments and publish  
26 them on the fund's internet website at least 1 business day before  
27 a public hearing on the proposed amendments. If the fund approves  
28 and modifies an existing written agreement under this subsection,  
29 the fund must provide a copy of that amended written agreement to

1 the senate majority leader, the speaker of the house of  
2 representatives, the chairs of the senate and house of  
3 representatives appropriations committees, the governor, the clerk  
4 of the house of representatives, the secretary of the senate, and  
5 the senate and house fiscal agencies within 1 business day of the  
6 modification.

7 (6) The fund shall not disburse money for a qualified  
8 investment under this section to an eligible applicant if that  
9 eligible applicant has not fully repaid all money subject to  
10 clawback or required to be repaid under any agreement with the fund  
11 or the Michigan economic development corporation or if that  
12 eligible applicant is in default on any grant, loan, investment, or  
13 other economic assistance made or guaranteed by the fund or the  
14 Michigan economic development corporation. All money paid to the  
15 fund pursuant to a clawback or specific provision for a qualified  
16 investment under this section must be deposited in the general  
17 fund. Any money that is allocated to the program that remains  
18 unexpended, unallocated, or unobligated at the end of the fiscal  
19 year reverts back to the general fund.

20 (7) The legislature finds and declares that funding provided  
21 under this program is for the public purpose and serves the health,  
22 safety, and general welfare of the residents of this state.

23 (8) Not later than March 15 of each year, the fund shall  
24 transmit to each member of the legislature, the governor, the clerk  
25 of the house of representatives, the secretary of the senate, and  
26 the senate and house fiscal agencies a report on the activities of  
27 the Michigan 360 program. The report must include all of the  
28 following:

29 (a) A list of eligible applicants that received a qualified

1 investment.

2 (b) For each eligible investment listed under subdivision (a),  
3 all of the following information:

4 (i) A description of the associated project.

5 (ii) The amount and type of qualified investment, including a  
6 description of installments that have been paid and a description  
7 of future projected installments.

8 (iii) A description of community engagement in connection with  
9 the project.

10 (iv) The status of the progress of eligible 360 activities.

11 (v) A description of all benchmarks that the eligible 360  
12 activities must meet under the written agreement and the status of  
13 those benchmarks.

14 (9) As used in this section:

15 (a) "Community" means the community in which the project is  
16 located and the surrounding communities.

17 (b) "Community development financial institution" means that  
18 term as defined in 12 USC 4702.

19 (c) "Eligible applicant" means an applicant that is 1 more of  
20 the following:

21 (i) A political subdivision of this state, including, but not  
22 limited to, a county, city, village, township, charter township, or  
23 instrumentality of a county, city, village, township, or charter  
24 township.

25 (ii) An educational institution within this state. As used in  
26 this subparagraph, "educational institution" means a college,  
27 university, community college, or junior college described in  
28 section 4, 5, or 6 of article VIII of the state constitution of  
29 1963 or established under section 7 of article VIII of the state

1 constitution of 1963.

2 (iii) A nonprofit corporation or community advocacy group.

3 (iv) A community development financial institution or a  
4 coalition of community development financial institutions that has  
5 previously provided services within this state.

6 (v) A local professional or technical service provider.

7 (vi) A local economic development corporation.

8 (vii) A land bank fast track authority. As used in this  
9 subparagraph, "land bank fast track authority" means any of the  
10 following:

11 (A) A local authority as that term is defined in section 3 of  
12 the land bank fast track act, 2003 PA 258, MCL 124.753.

13 (B) A county authority as that term is defined in section 3 of  
14 the land bank fast track act, 2003 PA 258, MCL 124.753.

15 (C) The state authority as that term is defined in section 3  
16 of the land bank fast track act, 2003 PA 258, MCL 124.753.

17 (d) "Eligible 360 activities" means 1 or more of the  
18 following:

19 (i) Building, expanding, or improving regional transit.

20 (ii) Housing activities to provide access to affordable housing  
21 for low- and moderate-income households, including, but not limited  
22 to, all of the following:

23 (A) New construction or rehabilitation of existing housing.

24 (B) Home buyer education classes.

25 (C) Foreclosure prevention programs.

26 (D) Down payment assistance.

27 (iii) Neighborhood stabilization programs to stabilize  
28 communities with high rates of abandoned and foreclosed homes and  
29 to assist households whose annual incomes are not more than 120% of

1 the area median income. Activities under a neighborhood  
2 stabilization program may include, but are not limited to, all of  
3 the following:

4 (A) Establishing financing mechanisms for the purchase and  
5 redevelopment of foreclosed homes and residential properties.

6 (B) Purchasing and rehabilitating homes and residential  
7 properties that are abandoned or foreclosed.

8 (C) Demolishing blighted structures.

9 (D) Redeveloping demolished or vacant properties.

10 (iv) Public facilities and improvement projects, including, but  
11 not limited to, projects for the construction or rehabilitation of  
12 any of the following:

13 (A) Streets.

14 (B) Sidewalks.

15 (C) Parks.

16 (D) Playgrounds.

17 (E) Greenways.

18 (F) Water trails.

19 (G) Broadband infrastructure.

20 (H) Energy infrastructure.

21 (I) Other public recreational spaces.

22 (J) Other public infrastructure.

23 (K) Facilities that are open to the general public or provide  
24 community services, such as senior centers, youth centers, child  
25 care centers, community centers, centers for persons with  
26 disabilities, homeless shelters, housing for people with special  
27 needs, libraries, health clinics, and neighborhood fire stations.

28 (v) Public service activities, including, but not limited to,  
29 all of the following:

1 (A) Child care.

2 (B) Health care.

3 (C) Job training.

4 (D) Recreational programs.

5 (E) Educational programs.

6 (vi) Business assistance, including, but not limited to, all of  
7 the following:

8 (A) Downtown business development.

9 (B) Micro-business and small business assistance.

10 (C) Revolving loan funds to support business development.

11 (D) Technical assistance to businesses.

12 (E) Commercial rehabilitation.

13 (vii) Mixed-use development to enable a combination of retail  
14 and residences so an area remains vibrant outside of business hours  
15 and residents have walkable access to grocery stores and other  
16 essential goods and services.

17 (viii) Activities relating to energy conservation and renewable  
18 energy resources.

19 (ix) Activities to provide stable transitional housing for  
20 individuals in recovery from a substance use disorder.

21 (e) "Justice40 initiative" means the Justice40 initiative  
22 described in federal Executive Order No. 14008, 86 Fed Reg 7619  
23 (January 27, 2021).

24 (f) "Michigan 360 program" or "program" means the Michigan 360  
25 program created under subsection (1).

26 (g) "Project" means the community development project or  
27 projects to which the eligible 360 activities relate.

28 (h) "Qualified investment" means a grant, loan, or other  
29 community economic and development assistance for a project subject

1 to a written agreement with an eligible applicant to support  
2 eligible 360 activities under this program.

3 Enacting section 1. This amendatory act does not take effect  
4 unless Senate Bill No. 562 of the 102nd Legislature is enacted into  
5 law.