

# HOUSE BILL NO. 5539

March 05, 2024, Introduced by Reps. Fox, Rigas, BeGole, Beeler, Smit, Bierlein, Bezotte, Alexander, Thompson, Kunse, Harris, Wozniak, Borton, Markkanen, Johnsen, DeBoyer, Cavitt and Posthumus and referred to the Committee on Economic Development and Small Business.

A bill to amend 2000 PA 489, entitled  
"Michigan trust fund act,"  
by amending section 4 (MCL 12.254), as added by 2021 PA 137.

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

1           Sec. 4. (1) The strategic outreach and attraction reserve fund  
2 is created in the department of labor and economic opportunity.

3           (2) The state treasurer shall deposit money and other assets  
4 received from state appropriations or from any other source in the  
5 strategic outreach and attraction reserve fund. The state treasurer  
6 shall direct the investment of money in the strategic outreach and

1 attraction reserve fund and interest and earnings from the  
 2 investments must be deposited in the strategic outreach and  
 3 attraction reserve fund. Money in the strategic outreach and  
 4 attraction reserve fund that is restricted, obligated, or committed  
 5 at the close of the fiscal year ~~must remain~~ **remains** in the  
 6 strategic outreach and attraction reserve fund and does not lapse  
 7 to the general fund.

8 (3) The department of labor and economic opportunity is the  
 9 administrator of the strategic outreach and attraction reserve fund  
 10 for audits of the strategic outreach and attraction reserve fund.

11 (4) Money must only be expended from the strategic outreach  
 12 and attraction reserve fund ~~pursuant to~~ **if all of the following**  
 13 **apply:**

14 (a) **The expenditure is made in accordance with** an  
 15 appropriation authorized by law or by a legislative transfer under  
 16 section 393(2) of the management and budget act, 1984 PA 431, MCL  
 17 18.1393, for either of the following purposes:

18 (i) ~~(a)~~ For the critical industry program created in section  
 19 88s of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088s.

20 (ii) ~~(b)~~ For the Michigan strategic site readiness program  
 21 created in section 88t of the Michigan strategic fund act, 1984 PA  
 22 270, MCL 125.2088t.

23 (b) **The recipient of the expenditure only uses hiring**  
 24 **practices based on the merit of prospective employees.**

25 (c) **The recipient of the expenditure only uses internal**  
 26 **promotional schemes based on the merit of employees.**

27 (5) Not later than March 15 of each year, the department of  
 28 labor and economic opportunity shall transmit to each member of the  
 29 legislature, the governor, the clerk of the house of

1 representatives, the secretary of the senate, and the senate and  
2 house fiscal agencies a report on the activities of the strategic  
3 outreach and attraction reserve fund.

4       **(6) As used in this section, "merit" means a reasonable**  
5 **expectation, based on objective criteria such as experience,**  
6 **education, and training, that a prospective employee or an**  
7 **employee, as applicable, can adequately perform the duties of the**  
8 **job.**