

SENATE BILL NO. 1116

November 14, 2024, Introduced by Senators MCMORROW, DAMOOSE, IRWIN, POLEHANKI, CHANG, SHINK and CAVANAGH and referred to the Committee on Economic and Community Development.

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," (MCL 125.2001 to 125.2094) by amending the title, as amended by 2005 PA 225, and by adding section 9c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act relating to the economic development of this state; to create the Michigan strategic fund and to prescribe its powers and duties; to transfer and provide for the acquisition and succession

1 to the rights, properties, obligations, and duties of the job
2 development authority and the Michigan economic development
3 authority to the Michigan strategic fund; to provide for the
4 expenditure of proceeds in certain funds to which the Michigan
5 strategic fund succeeds in ownership; to provide for the issuance
6 of, and terms and conditions for, certain notes and bonds of the
7 Michigan strategic fund; to create certain boards and funds; to
8 create certain permanent funds; to exempt the property, income, and
9 operation of the fund and its bonds and notes, and the interest
10 thereon, from certain taxes; to provide for the creation of certain
11 centers within and for the purposes of the Michigan strategic fund;
12 to provide for the creation and funding of certain accounts for
13 certain purposes; to impose certain powers and duties upon certain
14 officials, departments, and authorities of this state; to make
15 certain loans, grants, and investments; **to create the strategic and**
16 **operational advisory board and prescribe its powers and duties; to**
17 **provide for the development of certain strategic and operational**
18 **plans for this state;** to provide penalties; to make an
19 appropriation; and to repeal acts and parts of acts.

20 **Sec. 9c. (1) Not later than 1 year after the appointment of**
21 **the members of the strategic and operational advisory board, the**
22 **strategic and operational advisory board shall develop both of the**
23 **following:**

24 (a) A strategic plan for specific economic development
25 activities for this state as a whole.

26 (b) An operational plan for this state as a whole.

27 (2) Not later than September 30 of the year after the year in
28 which the strategic plan and operational plan are completed under
29 subsection (1) and September 30 of each year thereafter, the

1 strategic and operational advisory board shall update the strategic
2 plan and operational plan.

3 (3) The strategic plan must include all of the following:

4 (a) The identification of specific goals and objectives for
5 economic development and the development of quantifiable metrics
6 and performance measures, anchored in population growth and the
7 success and prosperity of residents. The goals and objectives
8 identified by the plan must include, but are not limited to, all of
9 the following:

10 (i) Encouraging growth that promotes economic opportunity and
11 improves the quality of life for all residents of this state.

12 (ii) Providing incentives that promote and encourage natural
13 resource-based industries, including agriculture, forestry,
14 fishing, mining, and recreational tourism.

15 (iii) Providing appropriate incentives for economic development
16 in rural areas.

17 (iv) Providing appropriate incentives for economic development
18 in suburban areas.

19 (v) Providing appropriate incentives for economic development
20 in and redevelopment of urban areas.

21 (vi) Determining and developing, in an orderly and fiscally
22 responsible manner, infrastructure needed for rural, suburban, and
23 urban development.

24 (vii) Providing a framework for the development and
25 rehabilitation of affordable housing in this state.

26 (viii) Ensuring that water is available to serve the needs of
27 the residents of this state and that beneficial uses of water are
28 considered and protected.

29 (ix) Encouraging, consistent with the needs and circumstances

1 of the governmental subdivisions, compact and efficient patterns of
2 development that minimize consumption of land, protect natural
3 resources, enhance mobility of people and goods, promote efficient
4 expenditure of public funds, and reduce resource and energy
5 consumption.

6 (x) Protecting the environment and the quality of this state's
7 land, water, and air.

8 (xi) Conserving and protecting open space, scenic and natural
9 areas, recreational areas, and endangered, unique, and threatened
10 plant and animal species and their habitat.

11 (xii) Protecting and enhancing this state's natural, cultural,
12 and historic resources to maintain this state's heritage and
13 further its tourist economy.

14 (xiii) Protecting both public and private property interests as
15 established by law.

16 (xiv) Ensuring that the delivery of state services that promote
17 the health and welfare of the residents of this state is cost-
18 effective and reaches residents in need.

19 (xv) Providing, in cooperation with local school districts,
20 access to educational programs that will provide all residents of
21 this state an equal opportunity to obtain the skills necessary to
22 compete effectively in the global marketplace.

23 (xvi) Promoting the development and operation of an
24 educationally and economically sound, vigorous, progressive, and
25 coordinated system of higher education in this state.

26 (xvii) Ensuring the protection and safety of the residents of
27 this state from danger and harm.

28 (b) The identification of specific strategies, taking a whole-
29 of-government approach, to achieve the goals and objectives

1 identified under subdivision (a). The specific strategies must
2 include, but are not limited to, all of the following:

3 (i) An inventory of this state's existing infrastructure,
4 including transportation networks, correctional facilities,
5 educational institutions, public health facilities, water supply
6 and treatment facilities, sewerage systems and wastewater treatment
7 systems, and solid waste management disposal facilities, and an
8 analysis of the extent to which additions or improvements will be
9 needed to accommodate anticipated population and economic growth.

10 (ii) Strategies consistent with the goals and other plan
11 elements for the economic development of this state that include an
12 inventory and assessment of this state's economic base, labor force
13 characteristics, educational opportunities necessary to train the
14 labor force, affordable housing characteristics, and economic
15 development opportunities and resources, including the development
16 of economically disadvantaged areas and redevelopment of urban
17 areas, and a determination of what can be done to support retention
18 and expansion of existing businesses and attract new businesses and
19 industries.

20 (iii) Strategies consistent with the goals and other plan
21 elements to support and maintain the viability of agricultural and
22 forestry activities through specific programs that include measures
23 to protect unique and prime agricultural and forestry lands.

24 (iv) Strategies consistent with the goals and plan elements
25 that will meet the long-range transportation needs of this state.

26 (v) Strategies consistent with the goals and other plan
27 elements for the protection of this state's natural, historic, and
28 living resources that are based on an inventory of resources,
29 including groundwater supply; coastal resources; river watersheds;

1 floodplains; major park, recreation, and conservation areas;
2 historic resources; wetlands; and state-owned lands.

3 (vi) Strategies consistent with the goals and other plan
4 elements for the protection and safety of the residents of this
5 state.

6 (c) The identification and definition of not more than 5 key
7 regions within this state for the purposes of regional economic
8 development strategies and collaboration.

9 (d) The identification and proposed structure of a state-led
10 economic development entity best suited to serve these regions in
11 progress toward the defined goals and strategies to ensure
12 statewide success.

13 (e) The identification and analysis of this state's strategic
14 assets.

15 (f) The identification and analysis of this state's
16 competitive landscape.

17 (g) An analysis of the historical performance of this state's
18 economic development strategies. The analysis must consider whether
19 the economic development strategies resulted in outcomes that
20 increased the success and prosperity of the residents of this
21 state, including, but not limited to, whether each strategy led to
22 1 or more of the following:

23 (i) Higher median income.

24 (ii) Population growth.

25 (iii) Increased educational attainment.

26 (4) In developing the strategic plan, the strategic and
27 operational advisory board shall do all of the following:

28 (a) Consult with key economic development partners, including,
29 but not limited to, all of the following:

1 (i) State, regional, and local economic development agencies
2 and organizations.

3 (ii) Urban, suburban, and rural stakeholders.

4 (b) Consider and incorporate as applicable all of the
5 following:

6 (i) Any reports of the growing Michigan together council.

7 (ii) The statewide housing plan developed by the Michigan state
8 housing development authority.

9 (iii) The statewide educational attainment plan, known as 60 by
10 30, to increase the number of working-age adults with a skill
11 certificate or college degree to 60% by 2030.

12 (iv) The Michigan statewide workforce plan approved by the
13 Michigan workforce development board.

14 (v) The MI Healthy Climate Plan developed by the Michigan
15 department of environment, Great Lakes, and energy through its
16 office of climate and energy.

17 (vi) The department of health and human services' strategic
18 priorities to improve health outcomes.

19 (vii) The Michigan Mobility 2045 Plan developed by the
20 department of transportation.

21 (viii) Michigan's statewide comprehensive literacy plan
22 developed by the department of education.

23 (ix) Any initiatives, goals, or action plans released or
24 recommended by the department of lifelong education, advancement,
25 and potential.

26 (5) The operational plan must include all of the following:

27 (a) A process to evaluate this state's effectiveness in
28 exercising the powers and duties conferred by this act, including
29 the MEDC's ability to work with other state, regional, and local

1 economic development organizations.

2 (b) A process to evaluate this state's effectiveness in
3 achieving progress toward the quantifiable metrics and performance
4 measures as defined in the plan, with clearly defined policies and
5 actions if the MEDC falls short of the defined performance
6 measures.

7 (c) A strategy for coordinating with state agencies that
8 administer housing, educational, workforce, transportation, and
9 environmental programs as they interact with this state's economic
10 development strategy.

11 (6) Not later than May 1, 2026 and May 1 of each year
12 thereafter, the strategic and operational advisory board shall
13 submit a report on both of the following:

14 (a) The strategic plan, any modifications to the strategic
15 plan, and this state's progress towards meeting the goals and
16 objectives in the strategic plan.

17 (b) The operational plan, any modifications to the operational
18 plan, and this state's progress toward meeting the goals and
19 objectives in the operational plan. The information submitted under
20 this subdivision must include a copy of the comprehensive annual
21 financial report under section 494 of the management and budget
22 act, 1984 PA 431, MCL 18.1494.

23 (7) The strategic and operational advisory board shall submit
24 the report under subsection (6) to all of the following and publish
25 the report on the website of the fund or the Michigan economic
26 development corporation:

27 (a) The governor.

28 (b) The house economic development and small business
29 committee.

1 (c) The senate economic and community development committee.

2 (d) The house appropriations subcommittee on labor, economic
3 development, and lifelong learning.

4 (e) The senate appropriations subcommittee on LEO/MEDC.

5 Enacting section 1. This amendatory act does not take effect
6 unless Senate Bill No. 1117 of the 102nd Legislature is enacted
7 into law.