

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 926

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 74 (MCL 125.2074), as amended by 1987 PA 278.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 74. (1) The fund may utilize the money held in the
2 research center fund to provide financial aid to nonprofit research
3 and development enterprises that perform or cause to be performed,
4 or both, research and development in present and emerging
5 technology and in the application of that technology to business
6 and industry.
7 (2) The present or emerging technologies that are provided
8 financial aid should serve as a foundation for future job growth or
9 retention in this state, encourage economic stability or
10 diversification in this state, and establish this state as a center

1 of excellence in high technology.

2 (3) Financial aid under this act may be provided for the
3 purposes of designing and constructing new facilities, designing
4 and rehabilitating existing facilities, acquiring an interest in
5 real or personal property, providing working capital, which may
6 include salaries, rent, supplies, inventory, accounts receivable,
7 mortgage payments, legal costs, utility costs, telephone, travel,
8 and other incidental costs normally classified as working capital
9 according to standard accounting principles. Working capital
10 financing grants provided by the fund to a particular research and
11 development enterprise shall not be granted for a period exceeding
12 10 years calculated from the effective date of the first grant to
13 the expiration date of the last grant.

14 (4) Financial aid provided by the fund may be on those terms
15 and conditions as the fund, in its sole discretion, shall determine
16 to be reasonable, appropriate, and consistent with the purposes and
17 objectives of the fund and this act.

18 (5) The minimum financial aid grant under this act shall be
19 \$2,500,000.00 to be paid over the period of time as the fund shall
20 specify in the grant unless this restriction is waived by a 2/3
21 vote of the members of the board.

22 (6) ~~Property~~ **PERSONAL PROPERTY THAT IS LEASED OR OWNED, AND**
23 **USED, OR THAT PORTION OF REAL PROPERTY THAT IS LEASED, SUBLEASED,**
24 **OR** owned, and ~~used or~~ occupied by a nonprofit research and
25 development enterprise that receives or has received financial ~~aid~~
26 **BENEFIT OR SUPPORT UNDER THIS ACT, FORMER 1982 PA 70, OR SECTION**
27 **117 OF 2000 PA 291** in the amount of \$1,000,000.00 or more ~~pursuant~~

1 ~~to this section or pursuant to former Act No. 70 of the Public Acts~~
2 ~~of 1982~~ OR THAT HAS RECEIVED FINANCIAL BENEFIT OR SUPPORT IN THE
3 AMOUNT OF \$1,000,000.00 OR MORE FROM AN ORGANIZATION WITH TAX-
4 EXEMPT STATUS UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE,
5 26 USC 501, THAT RECEIVED FINANCIAL BENEFIT OR SUPPORT DIRECTLY OR
6 INDIRECTLY UNDER THIS ACT OR SECTION 117 OF 2000 PA 291 is exempt
7 from ~~ad valorem real and personal property~~ taxes ~~imposed~~
8 COLLECTED under the general property tax act, ~~Act No. 206 of the~~
9 ~~Public Acts of 1893, being sections 211.1 to 211.157 of the~~
10 ~~Michigan Compiled Laws 1893 PA 206, MCL 211.1 TO 211.157~~, while
11 the property is **LEASED, SUBLEASED, OWNED**, used, or occupied by that
12 nonprofit research and development enterprise solely for the
13 purpose of performing **OR COORDINATING** research and development in
14 present and emerging technology and of the application of that
15 technology to business and industry and provided that the research
16 and development enterprise retains its ~~nonprofit~~ **TAX-EXEMPT**
17 status under section 501(c)(3) of the internal revenue code, **26 USC**
18 **501.**