

**SUBSTITUTE FOR
HOUSE BILL NO. 5609**

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending section 12a (MCL 125.2162a), as amended by 2004 PA 365.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12a. (1) A municipality that has created an authority may
2 apply to the Michigan economic development corporation for
3 designation of all or a portion of the authority district as a
4 certified technology park and to enter into an agreement governing
5 the terms and conditions of the designation. The form of the
6 application shall be in a form specified by the Michigan economic
7 development corporation and shall include information the Michigan
8 economic development corporation determines necessary to make the
9 determinations required under this section.

1 (2) After receipt of an application, the Michigan economic
2 development corporation may designate, pursuant to an agreement
3 entered into under subsection (3), a certified technology park that
4 is determined by the Michigan economic development corporation to
5 satisfy 1 or more of the following criteria based on the
6 application:

7 (a) A demonstration of significant support from an institution
8 of higher education or a private research-based institute located
9 within the proximity of the proposed certified technology park, as
10 evidenced by, but not limited to, the following types of support:

11 (i) Grants of preferences for access to and commercialization
12 of intellectual property.

13 (ii) Access to laboratory and other facilities owned by or
14 under control of the institution of higher education or private
15 research-based institute.

16 (iii) Donations of services.

17 (iv) Access to telecommunication facilities and other
18 infrastructure.

19 (v) Financial commitments.

20 (vi) Access to faculty, staff, and students.

21 (vii) Opportunities for adjunct faculty and other types of
22 staff arrangements or affiliations.

23 (b) A demonstration of a significant commitment on behalf of
24 the institution of higher education or private research-based
25 institute to the commercialization of research produced at the
26 certified technology park, as evidenced by the intellectual
27 property and, if applicable, tenure policies that reward faculty

1 and staff for commercialization and collaboration with private
2 businesses.

3 (c) A demonstration that the proposed certified technology
4 park will be developed to take advantage of the unique
5 characteristics and specialties offered by the public and private
6 resources available in the area in which the proposed certified
7 technology park will be located.

8 (d) The existence of or proposed development of a business
9 incubator within the proposed certified technology park that
10 exhibits the following types of resources and organization:

11 (i) Significant financial and other types of support from the
12 public or private resources in the area in which the proposed
13 certified technology park will be located.

14 (ii) A business plan exhibiting the economic utilization and
15 availability of resources and a likelihood of successful
16 development of technologies and research into viable business
17 enterprises.

18 (iii) A commitment to the employment of a qualified full-time
19 manager to supervise the development and operation of the business
20 incubator.

21 (e) The existence of a business plan for the proposed
22 certified technology park that identifies its objectives in a
23 clearly focused and measurable fashion and that addresses the
24 following matters:

25 (i) A commitment to new business formation.

26 (ii) The clustering of businesses, technology, and research.

27 (iii) The opportunity for and costs of development of properties

1 under common ownership or control.

2 (iv) The availability of and method proposed for development of
3 infrastructure and other improvements, including telecommunications
4 technology, necessary for the development of the proposed certified
5 technology park.

6 (v) Assumptions of costs and revenues related to the
7 development of the proposed certified technology park.

8 (f) A demonstrable and satisfactory assurance that the
9 proposed certified technology park can be developed to principally
10 contain eligible property as defined by section 2(p) (iii) and (v).

11 (3) An authority and a municipality that incorporated the
12 authority may enter into an agreement with the Michigan economic
13 development corporation establishing the terms and conditions
14 governing the certified technology park. Upon designation of the
15 certified technology park pursuant to the terms of the agreement,
16 the subsequent failure of any party to comply with the terms of the
17 agreement shall not result in the termination or rescission of the
18 designation of the area as a certified technology park. The
19 agreement shall include, but is not limited to, the following
20 provisions:

21 (a) A description of the area to be included within the
22 certified technology park.

23 (b) Covenants and restrictions, if any, upon all or a portion
24 of the properties contained within the certified technology park
25 and terms of enforcement of any covenants or restrictions.

26 (c) The financial commitments of any party to the agreement
27 and of any owner or developer of property within the certified

1 technology park.

2 (d) The terms of any commitment required from an institution
3 of higher education or private research-based institute for support
4 of the operations and activities at eligible properties within the
5 certified technology park.

6 (e) The terms of enforcement of the agreement, which may
7 include the definition of events of default, cure periods, legal
8 and equitable remedies and rights, and penalties and damages,
9 actual or liquidated, upon the occurrence of an event of default.

10 (f) The public facilities to be developed for the certified
11 technology park.

12 (g) The costs approved for public facilities under section
13 2(aa).

14 (4) If the Michigan economic development corporation has
15 determined that a sale price or rental value at below market rate
16 will assist in increasing employment or private investment in the
17 certified technology park, the authority and municipality have
18 authority to determine the sale price or rental value for public
19 facilities owned or developed by the authority and municipality in
20 the certified technology park at below market rate.

21 (5) If public facilities developed pursuant to an agreement
22 entered into under this section are conveyed or leased at less than
23 fair market value or at below market rates, the terms of the
24 conveyance or lease shall include legal and equitable remedies and
25 rights to assure the public facilities are used as eligible
26 property. Legal and equitable remedies and rights may include
27 penalties and actual or liquidated damages.

1 (6) Except as otherwise provided in this ~~subsection~~**SECTION**,
2 an agreement designating a certified technology park may not be
3 made after December 31, 2002, but any agreement made on or before
4 December 31, 2002 may be amended after that date. However, the
5 Michigan economic development corporation may enter into an
6 agreement with a municipality after December 31, 2002 and on or
7 before December 31, 2005 if that municipality has adopted a
8 resolution of interest to create a certified technology park before
9 December 31, 2002.

10 (7) The Michigan economic development corporation shall market
11 the certified technology parks and the certified business parks.
12 The Michigan economic development corporation and an authority may
13 contract with each other or any third party for these marketing
14 services.

15 (8) Except as otherwise provided in ~~subsection~~**SUBSECTIONS** (9)
16 **AND (10)**, the Michigan economic development corporation shall not
17 designate more than 10 certified technology parks. For purposes of
18 this subsection only, 2 certified technology parks located in a
19 county that contains a city with a population of more than 750,000,
20 shall be counted as 1 certified technology park. Not more than 7 of
21 the certified technology parks designated under this section may
22 not include a firm commitment from at least 1 business engaged in a
23 high technology activity creating a significant number of jobs.

24 (9) The Michigan economic development corporation may
25 designate an additional 5 certified technology parks after November
26 1, 2002 **AND BEFORE DECEMBER 31, 2007**. The Michigan economic
27 development corporation shall not accept applications for the

1 additional certified technology parks under this subsection until
2 after November 1, 2002.

3 **(10) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION MAY**
4 **DESIGNATE AN ADDITIONAL 3 CERTIFIED TECHNOLOGY PARKS AFTER FEBRUARY**
5 **1, 2008 AND BEFORE DECEMBER 31, 2009. THE MICHIGAN ECONOMIC**
6 **DEVELOPMENT CORPORATION SHALL NOT ACCEPT APPLICATIONS FOR THE**
7 **ADDITIONAL CERTIFIED TECHNOLOGY PARKS UNDER THIS SUBSECTION UNTIL**
8 **AFTER FEBRUARY 1, 2008.**

9 **(11) ~~(10)~~**—The Michigan economic development corporation shall
10 give priority to applications that include new business activity.

11 **(12) ~~(11)~~**—For an authority established by 2 or more
12 municipalities under sections 3(2) and 4(7), each municipality in
13 which the authority district is located by a majority vote of the
14 members of its governing body may make a limited tax pledge to
15 support the authority's tax increment bonds issued under section 14
16 or, if authorized by the voters of the municipality, may pledge its
17 full faith and credit for the payment of the principal of and
18 interest on the bonds. The municipalities that have made a pledge
19 to support the authority's tax increment bonds may approve by
20 resolution an agreement among themselves establishing obligations
21 each may have to the other party or parties to the agreement for
22 reimbursement of all or any portion of a payment made by a
23 municipality related to its pledge to support the authority's tax
24 increment bonds.

25 **(13) ~~(12)~~**—Not including certified technology parks designated
26 under subsection (8), but for certified technology parks designated
27 under ~~subsection~~**SUBSECTIONS (9) AND (10)** only, this state shall do

1 all of the following:

2 (a) Reimburse intermediate school districts each year for all
3 tax revenue lost that was captured by an authority for a certified
4 technology park designated by the Michigan economic development
5 corporation after ~~the effective date of the amendatory act that~~
6 ~~added this subdivision~~ **OCTOBER 3, 2002.**

7 (b) Reimburse local school districts each year for all tax
8 revenue lost that was captured by an authority for a certified
9 technology park designated by the Michigan economic development
10 corporation after ~~the effective date of the amendatory act that~~
11 ~~added this subdivision~~ **OCTOBER 3, 2002.**

12 (c) Reimburse the school aid fund from funds other than those
13 appropriated in section 11 of the state school aid act of 1979,
14 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement
15 calculations under subdivisions (a) and (b) and for all revenue
16 lost that was captured by an authority for a certified technology
17 park designated by the Michigan economic development corporation
18 after ~~the effective date of the amendatory act that added this~~
19 ~~subdivision~~ **OCTOBER 3, 2002.** Foundation allowances calculated under
20 section 20 of the state school aid act of 1979, 1979 PA 94, MCL
21 388.1620, shall not be reduced as a result of tax revenue lost that
22 was captured by an authority for a certified technology park
23 designated by the Michigan economic development corporation under
24 subsection (9) **OR (10)** after ~~the effective date of the amendatory~~
25 ~~act that added this subdivision~~ **OCTOBER 3, 2002.**