



# HOUSE BILL No. 5241

December 10, 1993, Introduced by Rep. Hood and referred to the Committee on House Oversight and Ethics.

A bill to amend section 7 of Act No. 270 of the Public Acts of 1984, entitled

"Michigan strategic fund act,"

being section 125.2007 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7 of Act No. 270 of the Public Acts of  
2 1984, being section 125.2007 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4 Sec. 7. The fund shall have the powers necessary or conven-  
5 ient to carry out and effectuate the purposes, objectives, and  
6 provisions of this act, the purposes and objectives of the fund,  
7 and the powers delegated by other laws or executive orders,  
8 including but not limited to the power to:

9 (a) Sue and be sued; to have a seal and alter the ~~same~~  
10 SEAL at pleasure; to have perpetual succession; to make, execute,

1 and deliver contracts, conveyances, and other instruments  
2 necessary or convenient to the exercise of its powers; and to  
3 make and amend bylaws.

4 (b) Solicit and accept gifts, grants, loans, TRANSFERS OF  
5 FUNDS, and other aids from any person or the federal, state, or a  
6 local government or any agency of the federal, state, or a local  
7 government, OR FROM ANY OTHER PUBLIC OR PRIVATE SOURCE, or to  
8 participate in any other way in any federal, state, or local gov-  
9 ernment program.

10 (c) Make grants, loans, and investments; to guarantee and  
11 insure loans, leases, bonds, notes, or other indebtedness,  
12 whether public or private; and to issue letters of credit.

13 (d) Construct; acquire by gift, purchase, installment pur-  
14 chase, or lease; and reconstruct, improve, repair, or equip a  
15 project or any part of a project.

16 (e) Borrow money and issue bonds and notes to finance part  
17 or all of the project costs of a project, or of a loan pursuant  
18 to subdivision (r) for an export transaction, and to secure those  
19 bonds and notes by mortgage, assignment, or pledge of any of its  
20 money, revenues, income, and properties. The authority provided  
21 by this subdivision includes but is not limited to issuing bonds  
22 and notes to acquire and install machinery, equipment, furnish-  
23 ings, and other personal property, notwithstanding that the fund  
24 does not own or propose to own or finance the building or land in  
25 or near to which the machinery, equipment, furnishings, and other  
26 personal property is or is to be located.

1 (f) Acquire or contract to acquire from any person,  
2 municipality, the federal or state government, or any agency of  
3 ~~the foregoing~~ A MUNICIPALITY, THE FEDERAL OR STATE GOVERNMENT,  
4 or otherwise, leaseholds, real or personal property or any inter-  
5 est in real or personal property; to own, hold, clear, improve,  
6 and rehabilitate; and to sell, assign, exchange, transfer,  
7 convey, lease, mortgage, or otherwise dispose of or encumber  
8 leaseholds, real or personal property or any interest in real or  
9 personal property, as is convenient for the accomplishment of the  
10 purposes of this act and of the fund.

11 (g) Procure insurance against any loss in connection with  
12 the fund's property, assets, or activities.

13 (h) Invest any money of the fund at the fund's discretion,  
14 in any obligations determined proper by the fund, and name and  
15 use depositories for its money.

16 (i) Engage personnel as is necessary and engage the services  
17 of private consultants, managers, counsel, auditors, engineers,  
18 and scientists for rendering professional management and techni-  
19 cal assistance and advice, payable out of any money of the fund  
20 legally available for this purpose.

21 (j) Charge, impose, and collect fees and charges in connec-  
22 tion with any transaction and provide for reasonable penalties  
23 for delinquent payment of fees or charges.

24 (k) Indemnify and procure insurance indemnifying any members  
25 of the board from personal loss or accountability from liability  
26 asserted by a person on the bonds or notes of the fund or from  
27 any personal liability or accountability by reason of the

1 issuance of the bonds, notes, insurance, or guarantees; by reason  
2 of acquisition, construction, ownership, or operation of a  
3 project; or by reason of any other action taken or the failure to  
4 act by the fund.

5 (l) Enter into a lease for the use or sale of a project.  
6 The lease may provide for options to purchase or renew.

7 (m) Mortgage or create security interests in a project or  
8 any part of a project, or in a lease or loan, or in the rents,  
9 revenues, or sums to be paid thereunder, in favor of the holders  
10 of the bonds or notes issued by the fund.

11 (n) Convey or release a project or any part of a project to  
12 a lessee, purchaser, or borrower under any agreement after provi-  
13 sion has been made for the retirement in full of the bonds or  
14 notes issued for that project under terms and conditions provided  
15 in the agreement or as may be agreed with the holders of the  
16 bonds or notes, at any time where the obligation of the lessee,  
17 purchaser, or borrower to make the payments prescribed shall  
18 remain fixed as provided in the agreement notwithstanding the  
19 conveyance or release, or as may otherwise be agreed with the  
20 holders of the bonds or notes.

21 (o) Make loans, participate in the making of loans, under-  
22 take commitments to make loans and mortgages, buy and sell loans  
23 and mortgages at public or private sale, rewrite loans and mort-  
24 gages, discharge loans and mortgages, foreclose on a mortgage,  
25 commence an action to protect or enforce a right conferred upon  
26 the fund by a law, mortgage, loan, contract, or other agreement,  
27 bid for and purchase property ~~which~~ THAT was the subject of the

1 mortgage at a foreclosure or other sale, acquire or take  
2 possession of the property and in that event complete, adminis-  
3 ter, pay the principal and interest on obligations incurred in  
4 connection with that property, and dispose of and otherwise deal  
5 with the property, in a manner as may be necessary or desirable  
6 to protect the interests of the fund.

7 (p) Certify, for the purpose of determining eligible invest-  
8 ments for the basis of a single business tax credit, minority  
9 venture capital companies, as defined by law.

10 (q) To create and operate centers, accounts, and funds as  
11 required or permitted by law for the use and disbursement of  
12 assets of the fund.

13 (r) To make loans to a financial institution to facilitate  
14 financing of all or part of an export related transaction includ-  
15 ing, but not limited to, pre-export working capital financing and  
16 postexport receivable financing.

17 (S) CONTRACT AND ENTER INTO AGREEMENTS WITH THE MICHIGAN  
18 SPORTS AND ENTERTAINMENT ECONOMIC DEVELOPMENT AUTHORITY CREATED  
19 UNDER THE MICHIGAN SPORTS AND ENTERTAINMENT ECONOMIC DEVELOPMENT  
20 AUTHORITY ACT, FOR THE TRANSFER AND IRREVOCABLE PLEDGE TO THE  
21 MICHIGAN SPORTS AND ENTERTAINMENT ECONOMIC DEVELOPMENT AUTHORITY  
22 OF ALL OR A SPECIFIED PORTION OF ASSETS, FUNDS, OR PROCEEDS HELD,  
23 RECEIVED, OR TO BE RECEIVED BY THE FUND, OR ANY SUCCESSOR BOARD,  
24 COMMISSION, OR AGENCY. A PLEDGE AS PART OF A CONTRACT OR AGREE-  
25 MENT MADE UNDER THIS SUBDIVISION BY THE FUND, OR ANY SUCCESSOR  
26 BOARD, COMMISSION, OR AGENCY, IS VALID AND BINDING IMMEDIATELY AT  
27 THE TIME THE PLEDGE IS MADE. THE FUNDS OR PROCEEDS PLEDGED AND

1 SUBSEQUENTLY RECEIVED BY THE FUND, OR BY ANY SUCCESSOR BOARD,  
2 COMMISSION, OR AGENCY, ARE IMMEDIATELY SUBJECT TO THE LIEN OF THE  
3 PLEDGE WITHOUT A PHYSICAL DELIVERY OR ANY FURTHER ACT. A RESOLU-  
4 TION, A CONTRACT, AN AGREEMENT, OR ANY OTHER INSTRUMENT BY WHICH  
5 A PLEDGE IS CREATED OR EVIDENCED IS NOT REQUIRED TO BE FILED OR  
6 RECORDED AND THE LIEN OF THE PLEDGE IS VALID AND BINDING AS  
7 AGAINST PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT, OR  
8 OTHERWISE AGAINST THE FUND OR AGAINST ANY SUCCESSOR BOARD, COM-  
9 MISSION, OR AGENCY, AND IS VALID AND BINDING AS AGAINST ANY  
10 TRANSFEREES OF THE FUNDS OR PROCEEDS PLEDGED, IRRESPECTIVE OF  
11 WHETHER THE PARTIES HAVE NOTICE OR WHETHER ANY DOCUMENT OR  
12 INSTRUMENT EVIDENCING THE EXISTENCE OF THE PLEDGE HAS BEEN FILED  
13 OR RECORDED.

14 (T) ~~(s)~~ Do all other things necessary or convenient to  
15 achieve the objectives and purposes of the fund, this act, or  
16 other laws that relate to the purposes and responsibilities of  
17 the fund.