



**House
Legislative
Analysis
Section**

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**REPAY STATE FOR GRANTS
FROM STATE RESEARCH FUND**

House Bill 5212
Sponsor: Rep. David Jaye
Committee: Commerce

Complete to 11-19-96

A SUMMARY OF HOUSE BILL 5212 AS INTRODUCED 10-5-95

The bill would amend Public Act 175 of 1982, which created the State Research Fund and provides for the awarding of research grants to certain private companies, to specify that beginning on the bill's effective date each private company that submitted a proposal for grant money and that accepted a grant based on the proposal would have to repay to the state's general fund a sum of money equal to the amount of the grant received.

Under the bill, in each year in which a company realized a profit from a product or service that was directly related to the research project that received grant money from the fund, the company would have to repay all or part of the money in one of the following amounts:

- * The sum of all of the grant money obtained from the fund;
- * If the sum of all grant money obtained from the fund had been paid, then zero;
- * If the annual profit of the company was less than the amount obtained from the fund, then 25 percent of the profit, and the balance that remained unpaid would be carried forward to the next succeeding year in which the company realized a profit until the amount from the fund was repaid;
- * If, in addition to grant money obtained from the fund, the company obtained research funds for a project from a source other than the fund, then the 25 percent of the profit earned that would have to be repaid to the fund would apply proportionately only to grant money obtained from the fund and not to amounts obtained from other sources.

Beginning on the bill's effective date, a private company would have to agree to pay to the state the sum prescribed by the bill as a condition of obtaining grant money from the fund. The attorney general could commence a civil action against a private company that failed to comply with these provisions.

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