



# HOUSE BILL No. 5212

October 5, 1995, Introduced by Rep. Jaye and referred to the Committee on Commerce.

A bill to amend Act No. 175 of the Public Acts of 1982,  
entitled

"An act to create a state research fund within the department of commerce; to provide for the administration of the fund; to prescribe the powers and duties of certain state agencies and officers; to provide for feasibility review panels; to provide for certain appropriations; and to repeal certain acts and parts of acts,"

being sections 125.1951 to 125.1956 of the Michigan Compiled Laws, by adding sections 3a and 5a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Act No. 175 of the Public Acts of 1982, being  
2 sections 125.1951 to 125.1956 of the Michigan Compiled Laws, is  
3 amended by adding sections 3a and 5a to read as follows:

4 SEC. 3A. (1) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDA-  
5 TORY ACT THAT ADDED THIS SECTION, EACH PRIVATE COMPANY THAT  
6 SUBMITS A PROPOSAL UNDER SECTION 2 AND THAT ACCEPTS A GRANT BASED

1 UPON THAT PROPOSAL SHALL PAY A SUM OF MONEY EQUAL TO THE AMOUNT  
2 OF THE GRANT TO THE GENERAL FUND OF THIS STATE AS PROVIDED IN  
3 THIS SECTION.

4 (2) IN EACH YEAR IN WHICH A PRIVATE COMPANY REALIZES A  
5 PROFIT FROM A PRODUCT OR SERVICE THAT IS DIRECTLY RELATED TO THE  
6 RESEARCH PROJECT THAT WAS SUPPORTED IN WHOLE OR IN PART WITH A  
7 GRANT OBTAINED BY THE COMPANY FROM THE FUND UNDER SECTION 2, THE  
8 COMPANY SHALL REPAY ALL OR PART OF THAT MONEY IN 1 OF THE FOLLOW-  
9 ING AMOUNTS:

10 (A) THE SUM OF ALL OF THE GRANT MONEY OBTAINED FROM THE  
11 FUND.

12 (B) IF THE AMOUNT CALCULATED UNDER SUBDIVISION (A) HAS BEEN  
13 PAID, THEN ZERO.

14 (C) IF THE ANNUAL PROFIT OF THE COMPANY IS LESS THAN THE  
15 AMOUNT CALCULATED UNDER SUBDIVISION (A), THEN 25% OF THE PROFIT,  
16 AND THE BALANCE THAT REMAINS UNPAID SHALL BE CARRIED FORWARD TO  
17 THE NEXT SUCCEEDING YEAR IN WHICH THE COMPANY REALIZES A PROFIT  
18 UNTIL THE AMOUNT CALCULATED UNDER SUBDIVISION (A) IS PAID.

19 (D) IF, IN ADDITION TO FUNDS OBTAINED UNDER SECTION 2, THE  
20 COMPANY OBTAINED RESEARCH FUNDS FOR A PROJECT FROM A SOURCE OTHER  
21 THAN THE FUND, THEN THE AMOUNT CALCULATED TO BE PAID UNDER  
22 SUBDIVISION (C) SHALL BE PROPORTIONATELY THE AMOUNT OF THE GRANT  
23 OBTAINED FROM THE FUND AS COMPARED TO THE AMOUNT ADVANCED BY THE  
24 OTHER SOURCE.

25 (3) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT  
26 THAT ADDED THIS SECTION, A PRIVATE COMPANY SHALL AGREE TO PAY A  
27 SUM OF MONEY PRESCRIBED IN THIS SECTION TO THE STATE AS A

1 CONDITION OF OBTAINING A GRANT OF MONEY BY THE FUND UNDER  
2 SECTION 2.

3 (4) THE DEPARTMENT OF THE ATTORNEY GENERAL MAY COMMENCE A  
4 CIVIL ACTION AGAINST A PRIVATE COMPANY THAT FAILS TO COMPLY WITH  
5 THIS SECTION.

6 SEC. 5A. AS USED IN THIS ACT:

7 (A) "DEPARTMENT" MEANS THE DEPARTMENT OF COMMERCE.

8 (B) "FUND" MEANS THE STATE RESEARCH FUND CREATED IN  
9 SECTION 2.

10 (C) "PRIVATE COMPANY" MEANS AN ENTITY OR INDIVIDUAL THAT IS  
11 NOT OWNED OR EMPLOYED BY A GOVERNMENTAL ENTITY OF THIS STATE.