



HOUSE BILL No. 5766

April 18, 1996, Introduced by Reps. Palamara, Griffin, Llewellyn, Rocca, Bullard, Olshove, Porreca, Brewer, Brater, Harder, Curtis, Pitoniak, Middaugh, Dobronski, Kelly, Baade, Weeks, Law, DeMars, Whyman, Lowe, Jaye, Bobier, McManus, Byl, Jellema, Jamian, Galloway and Jersevic and referred to the Committee on Appropriations.

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. (1) The fund ~~shall have~~ HAS the powers necessary
5 or convenient to carry out and effectuate the purposes, objec-
6 tives, and provisions of this act, the purposes and objectives of
7 the fund, and the powers delegated by other laws or executive
8 orders, including but not limited to the power to DO ALL OF THE
9 FOLLOWING:

1 (a) Sue and be sued; to have a seal and alter the ~~same~~
2 SEAL at pleasure; to have perpetual succession; to make, execute,
3 and deliver contracts, conveyances, and other instruments neces-
4 sary or convenient to the exercise of its powers; and to make and
5 amend bylaws.

6 (b) Solicit and accept gifts, grants, loans, and other aids
7 from any person or the federal, state, or a local government or
8 any agency of the federal, state, or a local government, or to
9 participate in any other way in any federal, state, or local gov-
10 ernment program.

11 (c) ~~Make~~ SUBJECT TO SUBSECTION (2), MAKE grants, loans,
12 and investments; to guarantee and insure loans, leases, bonds,
13 notes, or other indebtedness, whether public or private; and to
14 issue letters of credit.

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

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

1 or near to which the machinery, equipment, furnishings, and other
2 personal property is or is to be located.

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

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

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

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

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

26 (k) Indemnify and procure insurance indemnifying any members
27 of the board from personal loss or accountability from liability

1 asserted by a person on the bonds or notes of the fund or from
2 any personal liability or accountability by reason of the issu-
3 ance of the bonds, notes, insurance, or guarantees; by reason of
4 acquisition, construction, ownership, or operation of a project;
5 or by reason of any other action taken or the failure to act by
6 the fund.

7 (l) Enter into a lease for the use or sale of a project.

8 The lease may provide for options to purchase or renew.

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

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

23 (o) Make loans, participate in the making of loans, under-
24 take commitments to make loans and mortgages, buy and sell loans
25 and mortgages at public or private sale, rewrite loans and mort-
26 gages, discharge loans and mortgages, foreclose on a mortgage,
27 commence an action to protect or enforce a right conferred upon

1 the fund by a law, mortgage, loan, contract, or other agreement,
2 bid for and purchase property ~~which~~ THAT was the subject of the
3 mortgage at a foreclosure or other sale, acquire or take posses-
4 sion of the property and in that event complete, administer, pay
5 the principal and interest on obligations incurred in connection
6 with that property, and dispose of and otherwise deal with the
7 property, in a manner as may be necessary or desirable to protect
8 the interests of the fund.

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

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

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

19 (s) Do all other things necessary or convenient to achieve
20 the objectives and purposes of the fund, this act, or other laws
21 that relate to the purposes and responsibilities of the fund.

22 (2) THE FUND SHALL NOT MAKE A GRANT, LOAN, OR INVESTMENT
23 UNDER THIS ACT IN AN AMOUNT OF \$10,000,000.00 OR MORE WITHOUT THE
24 APPROVAL, BY CONCURRENT RESOLUTION, OF BOTH HOUSES OF THE
25 LEGISLATURE.