

HOUSE SUBSTITUTE FOR SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5047

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending the title and sections 4, 5, 6, 7, and 13 (MCL  
125.2004, 125.2005, 125.2006, 125.2007, and 125.2013), sections 4,  
5, 6, and 13 as amended by 1987 PA 278, and by adding section 94  
and chapter 8A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act relating to the economic development of this state; to  
create the Michigan strategic fund and to prescribe its powers and  
duties; to transfer and provide for the acquisition and succession  
to the rights, properties, obligations, and duties of the job  
development authority and the Michigan economic development

1 authority to the Michigan strategic fund; to provide for the  
2 expenditure of proceeds in certain funds to which the Michigan  
3 strategic fund succeeds in ownership; to provide for the issuance  
4 of, and terms and conditions for, **CERTAIN** notes and bonds of the  
5 Michigan strategic fund; **TO CREATE CERTAIN BOARDS AND FUNDS; TO**  
6 **CREATE CERTAIN PERMANENT FUNDS;** to exempt the property, income, and  
7 operation of the fund and its bonds and notes, and the interest  
8 thereon, from certain taxes; to provide for the creation of certain  
9 centers within and for the purposes of the Michigan strategic fund;  
10 to provide for the creation and funding of certain accounts for  
11 certain purposes; to impose certain powers and duties upon certain  
12 officials, departments, and authorities of ~~the~~ **THIS** state; **TO**  
13 **MAKE CERTAIN LOANS, GRANTS, AND INVESTMENTS;** to provide penalties;  
14 **TO MAKE AN APPROPRIATION;** and to repeal ~~certain~~ acts and parts of  
15 acts.

16 Sec. 4. As used in this act:

17 (a) "Board" means the board of directors of the Michigan  
18 strategic fund, except where the context clearly requires a  
19 different definition.

20 (b) "Economic development project" means an endeavor related  
21 to industrial, commercial, or agricultural enterprise. Economic  
22 development project includes, but is not limited to, a theme or  
23 recreation park; agricultural or forestry production, harvesting,  
24 storage, or processing facilities or equipment; and the use of  
25 equipment or facilities designed to produce energy from renewable  
26 resources. Economic development project does not include that  
27 portion of an endeavor devoted to the sale of goods at retail,

1 except that, as used in relation to the fund insuring a transaction  
2 entered into by a depository institution, and as used in relation  
3 to a loan by the fund to a minority owned business, an economic  
4 development project may include that portion of an endeavor devoted  
5 to the sale of goods at retail. Economic development project does  
6 not include that portion of an endeavor devoted to housing **OR A**  
7 **PROGRAM OR ACTIVITY AUTHORIZED UNDER CHAPTER 8A.**

8 (C) "FINANCIAL INSTITUTION" MEANS A STATE OR NATIONALLY  
9 CHARTERED BANK OR A STATE OR FEDERALLY CHARTERED SAVINGS AND LOAN  
10 ASSOCIATION, SAVINGS BANK, OR CREDIT UNION WHOSE DEPOSITS ARE  
11 INSURED BY AN AGENCY OF THE UNITED STATES GOVERNMENT AND THAT  
12 MAINTAINS A PRINCIPAL OFFICE OR BRANCH OFFICE IN THIS STATE UNDER  
13 THE LAWS OF THIS STATE OR THE UNITED STATES.

14 (D) ~~—(e)—~~ "Fund" means the Michigan strategic fund created  
15 under section 5, except where the context clearly requires a  
16 different definition.

17 (E) "MICHIGAN ECONOMIC DEVELOPMENT CORPORATION" OR "MEDC"  
18 MEANS THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION, THE PUBLIC  
19 BODY CORPORATE CREATED UNDER SECTION 28 OF ARTICLE VII OF THE STATE  
20 CONSTITUTION OF 1963 AND THE URBAN COOPERATION ACT OF 1967, 1967  
21 (EX SESS) PA 7, MCL 124.501 TO 124.512, BY A CONTRACTUAL INTERLOCAL  
22 AGREEMENT EFFECTIVE APRIL 5, 1999, AND SUBSEQUENTLY AMENDED,  
23 BETWEEN LOCAL PARTICIPATING ECONOMIC DEVELOPMENT CORPORATIONS  
24 FORMED UNDER THE ECONOMIC DEVELOPMENT CORPORATIONS ACT, 1974 PA  
25 338, MCL 125.1601 TO 125.1636, AND THE FUND.

26 (F) ~~—(d)—~~ "Municipality" means a county, city, village,  
27 township, port district, development organization, institution of

1 higher education, community or junior college, or subdivision or  
2 instrumentality of any of the legal entities listed in this  
3 subdivision.

4 (G) ~~—(e)—~~ "Person" means an individual, sole proprietorship,  
5 partnership, **LIMITED PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP,**  
6 **LIMITED LIABILITY COMPANY,** joint venture, profit or nonprofit  
7 corporation including a public or private college or university,  
8 public utility, local industrial development corporation, economic  
9 development corporation, or other association of persons organized  
10 for agricultural, commercial, or industrial purposes.

11 (H) ~~—(f)—~~ "Project" means an economic development project and,  
12 in addition, means the acquisition, construction, reconstruction,  
13 conversion, or leasing of an industrial, commercial, retail,  
14 agricultural, or forestry enterprise, or any part ~~thereof~~ **OF**  
15 **THESE**, to carry out the purposes and objectives of this act and of  
16 the fund, including, but not limited to, acquisition of land or  
17 interest in land, buildings, structures, or other planned or  
18 existing planned improvements to land including leasehold  
19 improvements, machinery, equipment, or furnishings which include,  
20 but are not limited to, the following: research parks; office  
21 facilities; engineering facilities; research and development  
22 laboratories; warehousing facilities; parts distribution  
23 facilities; depots or storage facilities; port facilities; railroad  
24 facilities, including trackage, right of way, and appurtenances;  
25 airports; water and air pollution control equipment or waste  
26 disposal facilities; theme or recreational parks; equipment or  
27 facilities designed to produce energy from renewable resources;

1 farms, ranches, forests, and other agricultural or forestry  
 2 commodity producers; agricultural harvesting, storage,  
 3 transportation, or processing facilities or equipment; grain  
 4 elevators; shipping heads and livestock pens; livestock;  
 5 warehouses; wharves and dock facilities; water, electricity, hydro  
 6 electric, coal, petroleum, or natural gas provision facilities;  
 7 dams and irrigation facilities; sewage, liquid, and solid waste  
 8 collection, disposal treatment, and drainage services and  
 9 facilities. **PROJECT DOES NOT INCLUDE A PROGRAM OR ACTIVITY**  
 10 **AUTHORIZED UNDER CHAPTER 8A.**

11 (I) ~~-(g)-~~ "Private sector" means other than the fund, a state  
 12 or federal source, or an agency ~~thereof~~ **OF A STATE OR THE FEDERAL**  
 13 **GOVERNMENT.**

14 Sec. 5. (1) There is created by this act a public body  
 15 corporate and politic to be known as the Michigan strategic fund.  
 16 The fund shall be within the department of ~~commerce~~ **TREASURY** and  
 17 shall exercise its prescribed statutory powers, duties, and  
 18 functions independently of the ~~director of commerce~~ **STATE**  
 19 **TREASURER.** ~~However, the budgeting, procurement, and related~~  
 20 ~~functions of the fund and administrative responsibilities for~~  
 21 ~~employees of the fund shall be performed under the direction and~~  
 22 ~~supervision of the director of commerce.~~ **THE STATUTORY AUTHORITY,**  
 23 **POWERS, DUTIES, FUNCTIONS, RECORDS, PERSONNEL, PROPERTY, UNEXPENDED**  
 24 **BALANCES OF APPROPRIATIONS, ALLOCATIONS, AND OTHER FUNDS OF THE**  
 25 **FUND, INCLUDING THE FUNCTIONS OF BUDGETING, PROCUREMENT, PERSONNEL,**  
 26 **AND MANAGEMENT-RELATED FUNCTIONS, SHALL BE RETAINED BY THE FUND,**  
 27 **AND THE FUND SHALL BE AN AUTONOMOUS ENTITY WITHIN THE DEPARTMENT OF**

1 TREASURY IN THE SAME MANNER AS THE MICHIGAN EMPLOYMENT SECURITY  
 2 COMMISSION WAS DESIGNATED AN AUTONOMOUS ENTITY WITHIN THE MICHIGAN  
 3 DEPARTMENT OF LABOR UNDER SECTION 379 OF THE EXECUTIVE ORGANIZATION  
 4 ACT OF 1965, 1965 PA 380, MCL 16.479.

5 (2) ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, THE  
 6 purposes, powers, and duties of the Michigan strategic fund are  
 7 vested in and shall be exercised by a board of directors.

8 (3) ~~The~~ EXCEPT AS PROVIDED IN SUBSECTION (4), THE board  
 9 shall consist of the director of the department of ~~commerce~~ LABOR  
 10 AND ECONOMIC GROWTH OR HIS OR HER DESIGNEE FROM WITHIN THE  
 11 DEPARTMENT OF LABOR AND ECONOMIC GROWTH, the state treasurer OR HIS  
 12 OR HER DESIGNEE FROM WITHIN THE DEPARTMENT OF TREASURY, THE CHIEF  
 13 EXECUTIVE OFFICER OF THE MEDC, and ~~7~~ 6 other members with  
 14 knowledge, skill, and experience in the academic, business, or  
 15 financial field, who shall be appointed by the governor with the  
 16 advice and consent of the senate. ~~Not more than 2 of the 7~~  
 17 ~~appointed members of the board shall be, during their term of~~  
 18 ~~office on the board, employees of the state of Michigan. The~~  
 19 ~~remainder of the appointed members of the board shall be~~  
 20 ~~representatives~~ NONE OF THE 6 MEMBERS APPOINTED UNDER THIS SECTION  
 21 SHALL BE EMPLOYEES OF THIS STATE. NOT LESS THAN 5 MEMBERS OF THE  
 22 BOARD APPOINTED UNDER THIS SUBSECTION SHALL BE MEMBERS of the  
 23 private sector. Five of the ~~7~~ 6 ~~appointed~~ members APPOINTED  
 24 UNDER THIS SUBSECTION shall serve for fixed terms. ~~Of the 5 fixed~~  
 25 ~~term members first appointed, 2 shall be appointed for a term that~~  
 26 ~~expires December 31, 1986, and 3 shall be appointed for a term that~~  
 27 ~~expires December 31, 1987.~~ Upon completion of each fixed term

1 EXPIRING AFTER DECEMBER 30, 2005, a member shall be appointed for a  
 2 term of ~~3~~ 4 years. Of the private sector members appointed by the  
 3 governor for a fixed term, 1 shall be appointed from ~~1~~ A LIST OF  
 4 3 or more nominees of the speaker of the house of representatives  
 5 REPRESENTING PERSONS WITHIN THE PRIVATE SECTOR WITH EXPERIENCE IN  
 6 PRIVATE EQUITY OR VENTURE CAPITAL INVESTMENTS, COMMERCIAL LENDING,  
 7 OR COMMERCIALIZATION OF TECHNOLOGY and 1 shall be appointed from ~~1~~  
 8 A LIST OF 3 or more nominees of the senate majority leader  
 9 REPRESENTING PERSONS WITHIN THE PRIVATE SECTOR WITH EXPERIENCE IN  
 10 PRIVATE EQUITY OR VENTURE CAPITAL INVESTMENTS, COMMERCIAL LENDING,  
 11 OR COMMERCIALIZATION OF TECHNOLOGY. A member APPOINTED UNDER THIS  
 12 SUBSECTION OR SUBSECTION (4) shall serve until a successor is  
 13 appointed, and a vacancy shall be filled for the balance of the  
 14 unexpired term in the same manner as the original appointment. The  
 15 ~~2 appointed members~~ MEMBER APPOINTED UNDER THIS SUBSECTION AND  
 16 serving without a fixed term shall serve at the pleasure of the  
 17 governor. Of the members appointed UNDER THIS SUBSECTION AND  
 18 SUBSECTION (4), there shall be minority, female, and small business  
 19 representation. ~~The chief executive officer or director of any~~  
 20 ~~state department, who is a designated member of or an appointee to~~  
 21 ~~the board, may appoint a representative from the department to~~  
 22 ~~serve as a voting member of the fund in the absence of the chief~~  
 23 ~~executive officer or director.~~ AFTER DECEMBER 31, 2005, AT LEAST 2  
 24 OF THE MEMBERS OF THE BOARD SHALL HAVE EXPERIENCE IN PRIVATE EQUITY  
 25 OR VENTURE CAPITAL INVESTMENTS, AT LEAST 1 OF THE MEMBERS SHALL  
 26 HAVE EXPERIENCE IN COMMERCIAL LENDING, AND AT LEAST 1 OF THE  
 27 MEMBERS OF THE BOARD SHALL HAVE EXPERIENCE IN COMMERCIALIZATION OF

1 TECHNOLOGY.

2 (4) IN ADDITION TO THE 9 MEMBERS OF THE BOARD UNDER SUBSECTION  
3 (3), NOT LATER THAN DECEMBER 15, 2005, THE GOVERNOR SHALL APPOINT,  
4 WITH THE ADVICE AND CONSENT OF THE SENATE, 2 ADDITIONAL MEMBERS TO  
5 THE BOARD FOR TERMS EXPIRING DECEMBER 31, 2007. THE MEMBERS  
6 APPOINTED UNDER THIS SUBSECTION SHALL BE FROM THE PRIVATE SECTOR  
7 AND SHALL HAVE EXPERIENCE IN PRIVATE EQUITY OR VENTURE CAPITAL  
8 INVESTMENTS, COMMERCIAL LENDING, OR COMMERCIALIZATION OF  
9 TECHNOLOGY. FROM THE DATE OF THE APPOINTMENT OF THE MEMBERS UNDER  
10 THIS SUBSECTION UNTIL DECEMBER 31, 2007, THE BOARD SHALL HAVE 11  
11 MEMBERS. AFTER DECEMBER 31, 2007, THE BOARD SHALL HAVE 9 MEMBERS.

12 (5) ~~—(4)—~~ The governor shall designate 1 member of the board  
13 to serve as its chairperson. **THE GOVERNOR SHALL DESIGNATE 1 MEMBER**  
14 **OF THE BOARD TO SERVE AS PRESIDENT OF THE FUND AND** ~~Of the 2 board~~  
15 ~~members serving at the pleasure of the governor, the governor shall~~  
16 **MAY** designate 1 member to serve as ~~the board's president and shall~~  
17 ~~designate the other member to serve as its vice-president if a~~  
18 ~~vice president is designated~~ **OF THE FUND.** The chairperson,  
19 president, and vice-president, **IF A VICE-PRESIDENT IS DESIGNATED,**  
20 shall serve as those officers at the pleasure of the governor.

21 (6) ~~—(5)—~~ Members of the board shall serve without  
22 compensation for their membership on the board, except that ~~the~~  
23 ~~president and vice president shall receive such compensation as is~~  
24 ~~reasonable and established by the board, and~~ members of the board  
25 ~~shall~~ **MAY** receive reasonable reimbursement for necessary travel  
26 and expenses.

27 (7) ~~—(6)—~~ The board may delegate to its president, vice-



1 president, staff, or others those functions and authority that the  
 2 board deems necessary or appropriate, which may include the  
 3 oversight and supervision of employees of the fund. **HOWEVER,**  
 4 **RESPONSIBILITIES SPECIFICALLY VESTED IN THE BOARD UNDER CHAPTER 8A**  
 5 **SHALL BE PERFORMED BY THE BOARD AND SHALL NOT BE TRANSFERRED TO THE**  
 6 **MEDC.**

7 (8) ~~—(7)—~~ A majority of the members of the board **APPOINTED AND**  
 8 ~~serving and present in person at a board meeting~~ constitutes a  
 9 quorum for the transaction of business at a meeting, or the  
 10 exercise of a power or function of the fund, notwithstanding the  
 11 existence of 1 or more vacancies. **THE BOARD MAY ACT ONLY BY**  
 12 **RESOLUTION APPROVED BY A MAJORITY OF BOARD MEMBERS APPOINTED AND**  
 13 **SERVING.** Voting upon action taken by the board shall be conducted  
 14 by majority vote of the members **APPOINTED AND SERVING. MEMBERS OF**  
 15 **THE BOARD MAY BE** present in person at a meeting of the board or, if  
 16 authorized by the bylaws of the board, by use of ~~amplified~~  
 17 ~~telephonic~~ **TELECOMMUNICATIONS OR OTHER ELECTRONIC** equipment. The  
 18 fund shall meet at the call of the chair and as may be provided in  
 19 the bylaws of the fund. Meetings of the fund may be held anywhere  
 20 within the state of Michigan.

21 (9) ~~—(8)—~~ The business ~~which~~ **OF** the board ~~may perform~~  
 22 shall be conducted at a public meeting of the board held in  
 23 compliance with the open meetings act, ~~Act No. 267 of the Public~~  
 24 ~~Acts of 1976, being sections 15.261 to 15.275 of the Michigan~~  
 25 ~~Compiled Laws~~ **1976 PA 267, MCL 15.261 TO 15.275.** Public notice of  
 26 the time, date, and place of the meeting shall be given in the  
 27 manner required by ~~Act No. 267 of the Public Acts of 1976~~ **THE**

1 OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.267, AND SHALL  
2 ALSO BE PROVIDED ON AN INTERNET WEBSITE OPERATED BY THE FUND. A  
3 record or portion of a record, material, or other data received,  
4 prepared, used, or retained by the fund or any of its centers in  
5 connection with an application to or with a project or product  
6 assisted by the fund or any of its centers ~~which~~ OR WITH AN  
7 AWARD, GRANT, LOAN, OR INVESTMENT UNDER CHAPTER 8A THAT relates to  
8 financial or proprietary information submitted by the applicant  
9 that is considered by the applicant and acknowledged by the board  
10 as confidential shall not be subject to the disclosure requirements  
11 of the freedom of information act, ~~Act No. 442 of the Public Acts~~  
12 ~~of 1976, being sections 15.231 to 15.246 of the Michigan Compiled~~  
13 ~~Laws~~ 1976 PA 442, MCL 15.231 TO 15.246. THE DISCLOSURE OF A RECORD  
14 CONCERNING INVESTMENT INFORMATION DESCRIBED IN SECTION 88C UNDER  
15 THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246,  
16 IS SUBJECT TO THE LIMITATIONS PROVIDED IN SECTION 88C. The board  
17 may also meet in closed session pursuant to ~~Act No. 267 of the~~  
18 ~~Public Acts of 1976~~ THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261  
19 TO 15.267, to make a determination of whether it acknowledges as  
20 confidential any financial or proprietary information submitted by  
21 the applicant and considered by the applicant as confidential.  
22 Unless considered proprietary information, the board shall not  
23 acknowledge routine financial information as confidential. IF THE  
24 BOARD DETERMINES THAT INFORMATION SUBMITTED TO THE FUND IS  
25 FINANCIAL OR PROPRIETARY INFORMATION AND IS CONFIDENTIAL, THE BOARD  
26 SHALL RELEASE A WRITTEN STATEMENT, SUBJECT TO DISCLOSURE UNDER THE  
27 FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, THAT

1 STATES ALL OF THE FOLLOWING:

2 (A) THE NAME AND BUSINESS LOCATION OF THE PERSON REQUESTING  
3 THAT THE INFORMATION SUBMITTED BE CONFIDENTIAL AS FINANCIAL OR  
4 PROPRIETARY INFORMATION.

5 (B) THAT THE INFORMATION SUBMITTED WAS DETERMINED BY THE BOARD  
6 TO BE CONFIDENTIAL AS FINANCIAL OR PROPRIETARY INFORMATION.

7 (C) A BROAD NONSPECIFIC OVERVIEW OF THE FINANCIAL OR  
8 PROPRIETARY INFORMATION DETERMINED TO BE CONFIDENTIAL.

9 (10) ~~—(9)—~~ The fund shall not disclose financial or  
10 proprietary information not subject to disclosure pursuant to  
11 subsection ~~—(8)—~~ (9) without consent of the applicant submitting  
12 the information.

13 (11) ~~—(10)—~~ Any document to which the fund is a party  
14 evidencing a loan, insurance, mortgage, lease, venture, or other  
15 type of agreement the fund is authorized to enter into shall not be  
16 considered financial or proprietary information that may be exempt  
17 from disclosure under subsection ~~—(8)—~~ (9).

18 (12) ~~—(11)—~~ For purposes of subsections ~~—(8)—~~ (9), (10), and  
19 ~~—(10)—~~ (11), "financial or proprietary information" means  
20 information ~~—which—~~ **THAT** has not been publicly disseminated or  
21 which is unavailable from other sources, the release of which might  
22 cause the applicant significant competitive harm.

23 Sec. 6. (1) ~~Members~~ **NOTWITHSTANDING SECTION 3(1) OF 1968 PA**  
24 **317, MCL 15.323, MEMBERS** of the board and officers and employees of  
25 the fund are subject to ~~Act No. 317 of the Public Acts of 1968,~~  
26 ~~being sections 15.321 to 15.330 of the Michigan Compiled Laws, or~~  
27 ~~Act No. 318 of the Public Acts of 1968, being sections 15.301 to~~

1 ~~15.310 of the Michigan Compiled Laws~~ 1968 PA 317, MCL 15.321 TO  
2 15.330, OR 1968 PA 318, MCL 15.301 TO 15.310, as applicable.

3 (2) A member of the board or officer, employee, or agent of  
4 the fund shall discharge the duties of his or her position in a  
5 nonpartisan manner, with good faith, and with that degree of  
6 diligence, care, and skill which an ordinarily prudent person would  
7 exercise under similar circumstances in a like position. In  
8 discharging the duties, a member of the board or an officer,  
9 employee, or agent, when acting in good faith, may rely upon the  
10 opinion of counsel for the fund, upon the report of an independent  
11 appraiser selected with reasonable care by the board, or upon  
12 financial statements of the fund represented to the member of the  
13 board or officer, employee, or agent of the fund to be correct by  
14 the president or the officer of the fund having charge of its books  
15 or account, or stated in a written report by a certified public  
16 accountant or firm of certified public accountants fairly to  
17 reflect the financial condition of the fund.

18 (3) A MEMBER OF THE BOARD SHALL NOT MAKE, PARTICIPATE IN  
19 MAKING, OR IN ANY WAY ATTEMPT TO USE HIS OR HER POSITION AS A  
20 MEMBER OF THE BOARD TO INFLUENCE A DECISION REGARDING A LOAN,  
21 GRANT, INVESTMENT, OR OTHER EXPENDITURE UNDER THIS ACT TO HIS OR  
22 HER EMPLOYER.

23 (4) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT ENGAGE  
24 IN ANY CONDUCT THAT CONSTITUTES A CONFLICT OF INTEREST AND SHALL  
25 IMMEDIATELY ADVISE THE BOARD IN WRITING OF THE DETAILS OF ANY  
26 INCIDENT OR CIRCUMSTANCES THAT MAY PRESENT THE EXISTENCE OF A  
27 CONFLICT OF INTEREST WITH RESPECT TO THE PERFORMANCE OF THE BOARD-

1 RELATED WORK OR DUTY OF THE MEMBER, EMPLOYEE, OR AGENT OF THE  
2 BOARD.

3 (5) A MEMBER WHO HAS A CONFLICT OF INTEREST RELATED TO ANY  
4 MATTER BEFORE THE BOARD SHALL DISCLOSE THE CONFLICT OF INTEREST  
5 BEFORE THE BOARD TAKES ANY ACTION WITH RESPECT TO THE MATTER, WHICH  
6 DISCLOSURE SHALL BECOME A PART OF THE RECORD OF THE BOARD'S  
7 OFFICIAL PROCEEDINGS. THE MEMBER WITH THE CONFLICT OF INTEREST  
8 SHALL REFRAIN FROM DOING ALL OF THE FOLLOWING WITH RESPECT TO THE  
9 MATTER THAT IS THE BASIS OF THE CONFLICT OF INTEREST:

10 (A) VOTING IN THE BOARD'S PROCEEDINGS RELATED TO THE MATTER.

11 (B) PARTICIPATING IN THE BOARD'S DISCUSSION OF AND  
12 DELIBERATION ON THE MATTER.

13 (C) BEING PRESENT AT THE MEETING WHEN THE DISCUSSION,  
14 DELIBERATION, AND VOTING ON THE MATTER TAKE PLACE.

15 (D) DISCUSSING THE MATTER WITH ANY OTHER BOARD MEMBER.

16 (6) FAILURE OF A MEMBER TO COMPLY WITH SUBSECTION (5)  
17 CONSTITUTES MISCONDUCT IN OFFICE SUBJECT TO REMOVAL UNDER SECTION  
18 94.

19 (7) WHEN AUTHORIZING EXPENDITURES AND INVESTMENTS UNDER THIS  
20 ACT, THE BOARD SHALL NOT CONSIDER WHETHER A RECIPIENT HAS MADE A  
21 CONTRIBUTION OR EXPENDITURE UNDER THE MICHIGAN CAMPAIGN FINANCE  
22 ACT, 1976 PA 388, MCL 169.201 TO 169.282.

23 (8) EXPENDITURES UNDER THIS ACT SHALL NOT BE USED TO FINANCE  
24 OR INFLUENCE POLITICAL ACTIVITIES.

25 Sec. 7. The fund shall have the powers ~~necessary or~~  
26 ~~convenient to carry out and effectuate the purposes, objectives,~~  
27 ~~and provisions of this act, the purposes and objectives of the~~

1 ~~fund,~~ and **DUTIES PROVIDED IN THIS ACT**, the powers delegated by  
2 other laws or executive orders, including, but not limited to, the  
3 power to:

4 (a) Sue and be sued; to have a seal and alter the same at  
5 pleasure; to have perpetual succession; to make, execute, and  
6 deliver contracts, conveyances, and other instruments necessary or  
7 convenient to the exercise of its powers; and to make and amend  
8 bylaws.

9 (b) Solicit and accept gifts, grants, loans, and other aids  
10 from any person or the federal, state, or a local government or any  
11 agency of the federal, state, or a local government, or to  
12 participate in any other way in any federal, state, or local  
13 government program.

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

17 (d) Construct; acquire by gift, purchase, installment  
18 purchase, or lease; and reconstruct, improve, repair, or equip a  
19 project or any part of a project.

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

1 own or propose to own or finance the building or land in or near to  
2 which the machinery, equipment, furnishings, and other personal  
3 property is or is to be located.

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

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

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

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

23 (j) Charge, impose, and collect fees and charges in connection  
24 with any transaction and provide for reasonable penalties for  
25 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 any  
2 personal liability or accountability by reason of the issuance of  
3 the bonds, notes, insurance, or guarantees; by reason of  
4 acquisition, construction, ownership, or operation of a project; or  
5 by reason of any other action taken or the failure to act by the  
6 fund.

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

9 (m) Mortgage or create security interests in a project or any  
10 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 of  
12 the bonds or notes issued by the fund.

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

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



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

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

12 (q) ~~To~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, TO**  
13 create and operate centers, accounts, and funds as required or  
14 permitted by law for the use and disbursement of assets of the  
15 fund. **THE POWERS GRANTED UNDER THIS SUBDIVISION DO NOT APPLY TO**  
16 **CHAPTER 8A.**

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

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

24 Sec. 13. The total debt owed to the fund, excluding rights and  
25 royalties under a venture capital agreement or obligations to the  
26 fund resulting from an industrial development revenue bond or note,  
27 in relation to any 1 project shall at no time exceed 5% of the

total assets of the fund, except that upon approval by a 2/3 vote of the board this amount may be increased to not to exceed 10% of the assets of the fund. THIS SECTION DOES NOT APPLY TO A PROGRAM OR ACTIVITY AUTHORIZED UNDER CHAPTER 8A.

#### CHAPTER 8A

SEC. 88. (1) THE LEGISLATURE FINDS AND DECLARES THAT THE ACTIVITIES AUTHORIZED UNDER THIS CHAPTER TO ENCOURAGE DIVERSIFICATION OF THE ECONOMY AND THE CREATION OF JOBS IN THIS STATE ARE A PUBLIC PURPOSE AND OF PARAMOUNT CONCERN IN THE INTEREST OF THE HEALTH, SAFETY, AND GENERAL WELFARE OF THE CITIZENS OF THIS STATE. IT IS THE INTENT OF THE LEGISLATURE THAT THE ECONOMIC BENEFITS AND THE CREATION OF JOBS RESULTING FROM THIS CHAPTER SHALL ACCRUE SUBSTANTIALLY WITHIN THIS STATE.

(2) ACTIVITIES AUTHORIZED UNDER THIS CHAPTER SHALL NOT BE CONSIDERED A PROJECT, ECONOMIC DEVELOPMENT PROJECT, OR A PRODUCT ASSISTED BY THE FUND FOR PURPOSES OF CHAPTER 1 OR 2.

SEC. 88A. AS USED IN THIS CHAPTER:

(A) "ADVANCED AUTOMOTIVE, MANUFACTURING, AND MATERIALS TECHNOLOGY" MEANS ANY TECHNOLOGY THAT INVOLVES 1 OR MORE OF THE FOLLOWING:

(i) MATERIALS WITH ENGINEERED PROPERTIES CREATED THROUGH THE DEVELOPMENT OF SPECIALIZED PROCESS AND SYNTHESIS TECHNOLOGY.

(ii) NANOTECHNOLOGY, INCLUDING MATERIALS, DEVICES, OR SYSTEMS AT THE ATOMIC, MOLECULAR, OR MACROMOLECULAR LEVEL, WITH A SCALE MEASURED IN NANOMETERS.

(iii) MICROELECTROMECHANICAL SYSTEMS, INCLUDING DEVICES OR SYSTEMS INTEGRATING MICROELECTRONICS WITH MECHANICAL PARTS AND A

1 SCALE MEASURED IN MICROMETERS.

2 (iv) IMPROVEMENTS TO VEHICLE SAFETY, VEHICLE PERFORMANCE,  
3 VEHICLE PRODUCTION, OR ENVIRONMENTAL IMPACT, INCLUDING, BUT NOT  
4 LIMITED TO, VEHICLE EQUIPMENT AND COMPONENT PARTS.

5 (v) A NEW TECHNOLOGY, DEVICE, OR SYSTEM THAT ENHANCES OR  
6 IMPROVES THE MANUFACTURING PROCESS OF WOOD, TIMBER, OR  
7 AGRICULTURAL-BASED PRODUCTS.

8 (vi) ANY TECHNOLOGY THAT INVOLVES AN ALTERNATIVE ENERGY VEHICLE  
9 OR ITS COMPONENTS, AS ALTERNATIVE ENERGY VEHICLE IS DEFINED UNDER  
10 SECTION 2 OF THE MICHIGAN NEXT ENERGY AUTHORITY ACT, 2002 PA 593,  
11 MCL 207.822.

12 (vii) ADVANCED COMPUTING OR ELECTRONIC DEVICE TECHNOLOGY  
13 RELATED TO TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

14 (viii) DESIGN, ENGINEERING, TESTING, OR DIAGNOSTICS RELATED TO  
15 TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

16 (ix) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO TECHNOLOGY  
17 DESCRIBED UNDER THIS SUBDIVISION.

18 (B) "ADVANCED COMPUTING" MEANS ANY TECHNOLOGY USED IN THE  
19 DESIGN AND DEVELOPMENT OF 1 OR MORE OF THE FOLLOWING:

20 (i) COMPUTER HARDWARE AND SOFTWARE.

21 (ii) DATA COMMUNICATIONS.

22 (iii) INFORMATION TECHNOLOGIES.

23 (C) "ALTERNATIVE ENERGY TECHNOLOGY" MEANS APPLIED RESEARCH OR  
24 COMMERCIALIZATION OF NEW OR NEXT GENERATION TECHNOLOGY IN 1 OR MORE  
25 OF THE FOLLOWING:

26 (i) ALTERNATIVE ENERGY TECHNOLOGY AS THAT TERM IS DEFINED IN  
27 SECTION 2 OF THE MICHIGAN NEXT ENERGY AUTHORITY ACT, 2002 PA 593,

1 MCL 207.822.

2 (ii) DEVICES OR SYSTEMS DESIGNED AND USED SOLELY FOR THE  
3 PURPOSE OF GENERATING ENERGY FROM AGRICULTURAL CROPS, RESIDUE AND  
4 WASTE GENERATED FROM THE PRODUCTION AND PROCESSING OF AGRICULTURAL  
5 PRODUCTS, ANIMAL WASTES, OR FOOD PROCESSING WASTES, NOT INCLUDING A  
6 CONVENTIONAL GASOLINE OR DIESEL FUEL ENGINE OR RETROFITTED  
7 CONVENTIONAL GASOLINE OR DIESEL FUEL ENGINE.

8 (iii) A NEW TECHNOLOGY, PRODUCT, OR SYSTEM THAT PERMITS THE  
9 UTILIZATION OF BIOMASS FOR THE PRODUCTION OF SPECIALTY, COMMODITY,  
10 OR FOUNDATIONAL CHEMICALS OR OF NOVEL OR ECONOMICAL COMMODITY  
11 MATERIALS THROUGH THE APPLICATION OF BIOTECHNOLOGY THAT MINIMIZES,  
12 COMPLEMENTS, OR REPLACES RELIANCE ON PETROLEUM FOR THE PRODUCTION.  
13 ALTERNATIVE ENERGY TECHNOLOGY ALSO INCLUDES A NEW TECHNOLOGY,  
14 PRODUCT, OR SYSTEM THAT UTILIZES WIND ENERGY.

15 (iv) ADVANCED COMPUTING OR ELECTRONIC DEVICE TECHNOLOGY RELATED  
16 TO TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

17 (v) DESIGN, ENGINEERING, TESTING, OR DIAGNOSTICS RELATED TO  
18 TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

19 (vi) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO A TECHNOLOGY  
20 DESCRIBED UNDER THIS SUBDIVISION.

21 (D) "APPLIED RESEARCH" MEANS TRANSLATIONAL RESEARCH CONDUCTED  
22 WITH THE OBJECTIVE OF ATTAINING A SPECIFIC BENEFIT OR TO SOLVE A  
23 PRACTICAL PROBLEM, OR OTHER RESEARCH ACTIVITY THAT SEEKS TO  
24 UTILIZE, SYNTHESIZE, OR APPLY EXISTING KNOWLEDGE, INFORMATION, OR  
25 RESOURCES TO THE RESOLUTION OF A SPECIFIED PROBLEM, QUESTION, OR  
26 ISSUE, WITH HIGH POTENTIAL FOR COMMERCIAL APPLICATION TO CREATE  
27 JOBS IN THIS STATE.

1           (E) "BASIC RESEARCH" MEANS ANY ORIGINAL INVESTIGATION FOR THE  
2   ADVANCEMENT OF SCIENTIFIC OR TECHNOLOGICAL KNOWLEDGE THAT WILL  
3   ENHANCE THE RESEARCH CAPACITY OF THIS STATE IN A WAY THAT INCREASES  
4   THE ABILITY TO ATTRACT TO OR DEVELOP COMPANIES, JOBS, RESEARCHERS,  
5   OR STUDENTS IN THIS STATE.

6           (F) "COMMERCIALIZATION" MEANS THE TRANSITION FROM RESEARCH TO  
7   THE ACTIONS NECESSARY TO ACHIEVE MARKET ENTRY AND GENERAL MARKET  
8   COMPETITIVENESS OF NEW INNOVATIVE TECHNOLOGIES, PROCESSES, AND  
9   PRODUCTS AND THE SERVICES THAT SUPPORT, ASSIST, EQUIP, FINANCE, OR  
10  PROMOTE A PERSON OR AN ENTITY WITH THAT TRANSITION.

11          (G) "COMPETITIVE EDGE TECHNOLOGY" MEANS 1 OR MORE OF THE  
12  FOLLOWING:

13           (i) LIFE SCIENCES TECHNOLOGY.

14           (ii) ADVANCED AUTOMOTIVE, MANUFACTURING, AND MATERIALS  
15  TECHNOLOGY.

16           (iii) HOMELAND SECURITY AND DEFENSE TECHNOLOGY.

17           (iv) ALTERNATIVE ENERGY TECHNOLOGY.

18          (H) "ELECTRONIC DEVICE TECHNOLOGY" MEANS ANY TECHNOLOGY THAT  
19  INVOLVES MICROELECTRONICS, SEMICONDUCTORS, ELECTRONIC EQUIPMENT,  
20  AND INSTRUMENTATION, RADIO FREQUENCY, MICROWAVE, AND MILLIMETER  
21  ELECTRONICS; OPTICAL AND OPTIC-ELECTRICAL DEVICES; OR DATA AND  
22  DIGITAL COMMUNICATIONS AND IMAGING DEVICES.

23          (I) "FUND BOARD" MEANS THE BOARD OF THE MICHIGAN STRATEGIC  
24  FUND DESCRIBED IN SECTION 5.

25          (J) "HOMELAND SECURITY AND DEFENSE TECHNOLOGY" MEANS  
26  TECHNOLOGY THAT ASSISTS IN THE ASSESSMENT OF THREATS OR DAMAGE TO  
27  THE GENERAL POPULATION AND CRITICAL INFRASTRUCTURE, PROTECTION OF,

1 DEFENSE AGAINST, OR MITIGATION OF THE EFFECTS OF FOREIGN OR  
2 DOMESTIC THREATS, DISASTERS, OR ATTACKS, OR SUPPORT FOR CRISIS OR  
3 RESPONSE MANAGEMENT, INCLUDING, BUT NOT LIMITED TO, 1 OR MORE OF  
4 THE FOLLOWING:

5 (i) SENSORS, SYSTEMS, PROCESSES, OR EQUIPMENT FOR  
6 COMMUNICATIONS, IDENTIFICATION AND AUTHENTICATION, SCREENING,  
7 SURVEILLANCE, TRACKING, AND DATA ANALYSIS.

8 (ii) ADVANCED COMPUTING OR ELECTRONIC DEVICE TECHNOLOGY RELATED  
9 TO TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

10 (iii) AVIATION TECHNOLOGY, INCLUDING, BUT NOT LIMITED TO,  
11 AVIONICS, AIRFRAME DESIGN, SENSORS, EARLY WARNING SYSTEMS, AND  
12 SERVICES RELATED TO TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

13 (iv) DESIGN, ENGINEERING, TESTING, OR DIAGNOSTICS RELATED TO  
14 TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

15 (v) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO TECHNOLOGY  
16 DESCRIBED UNDER THIS SUBDIVISION.

17 (K) "INDEPENDENT PEER REVIEW EXPERT" MEANS A PERSON OR PERSONS  
18 SELECTED BY THE COMMERCIALIZATION BOARD WITH APPROPRIATE EXPERTISE  
19 TO CONDUCT AN INDEPENDENT, UNBIASED, OBJECTIVE, AND COMPETITIVE  
20 EVALUATION OF ACTIVITIES FUNDED UNDER SECTION 88K. THE PERSON OR  
21 PERSONS SHALL DEMONSTRATE THE CAPABILITY AND EXPERIENCE, AS  
22 APPROPRIATE OR NECESSARY FOR THE PARTICULAR ACTIVITY FUNDED, TO DO  
23 ALL OF THE FOLLOWING:

24 (i) CONDUCT A HIGHLY COMPETITIVE AND INTENSIVE, INDEPENDENT,  
25 MULTIPHASED, PEER-REVIEW-BASED EVALUATION PROCESS.

26 (ii) EMPLOY PERSONNEL WITH APPROPRIATE BUSINESS, SCIENTIFIC,  
27 TECHNICAL, COMMERCIAL, OR OTHER SPECIALIZED EXPERTISE TO CARRY OUT

1 EACH ASPECT OF THE EVALUATION PROCESS.

2 (iii) PROVIDE RECOMMENDATIONS TO OR ASSIST THE COMMERCIALIZATION  
3 BOARD IN IDENTIFYING HIGH-QUALITY ACTIVITIES FOR FUNDING THAT ARE  
4 LIKELY TO RESULT IN THE DEVELOPMENT AND COMMERCIALIZATION OF  
5 COMPETITIVE EDGE TECHNOLOGY AND JOB CREATION IN THIS STATE. THE  
6 RECOMMENDATIONS SHALL INCLUDE ALL MATERIALS USED BY THE INDEPENDENT  
7 PEER REVIEW EXPERT IN MAKING THE RECOMMENDATION.

8 (iv) ASSURE THAT ANY PEER REVIEW PROCESS DEVELOPED MAINTAINS A  
9 HIGH LEVEL OF INTEGRITY.

10 (l) "INSTITUTION OF HIGHER EDUCATION" MEANS AN INSTITUTION OF  
11 HIGHER EDUCATION OR A COMMUNITY OR JUNIOR COLLEGE DESCRIBED IN  
12 SECTION 4, 5, 6, OR 7 OF ARTICLE VIII OF THE STATE CONSTITUTION OF  
13 1963 OR AN INDEPENDENT NONPROFIT DEGREE-GRANTING INSTITUTION OF  
14 POSTSECONDARY EDUCATION IN THIS STATE THAT IS APPROVED BY THE STATE  
15 BOARD OF EDUCATION.

16 (m) "JOBS FOR MICHIGAN INVESTMENT FUND" OR "INVESTMENT FUND"  
17 MEANS THE JOBS FOR MICHIGAN INVESTMENT FUND CREATED IN SECTION 88F.

18 (n) "LIFE SCIENCES" MEANS SCIENCE FOR THE EXAMINATION OR  
19 UNDERSTANDING OF LIFE OR LIFE PROCESSES, INCLUDING, BUT NOT LIMITED  
20 TO, ALL OF THE FOLLOWING:

21 (i) BIOENGINEERING.

22 (ii) BIOMEDICAL ENGINEERING.

23 (iii) GENOMICS.

24 (iv) PROTEOMICS.

25 (v) MOLECULAR AND CHEMICAL ECOLOGY.

26 (vi) BIOTECHNOLOGY, INCLUDING ANY TECHNOLOGY THAT USES LIVING  
27 ORGANISMS, CELLS, MACROMOLECULES, MICROORGANISMS, OR SUBSTANCES

1 FROM LIVING ORGANISMS TO MAKE OR MODIFY A PRODUCT FOR USEFUL  
2 PURPOSES. BIOTECHNOLOGY OR LIFE SCIENCES DOES NOT INCLUDE ANY OF  
3 THE FOLLOWING:

4 (A) ACTIVITIES PROHIBITED UNDER SECTION 2685 OF THE PUBLIC  
5 HEALTH CODE, 1978 PA 368, MCL 333.2685.

6 (B) ACTIVITIES PROHIBITED UNDER SECTION 2688 OF THE PUBLIC  
7 HEALTH CODE, 1978 PA 368, MCL 333.2688.

8 (C) ACTIVITIES PROHIBITED UNDER SECTION 2690 OF THE PUBLIC  
9 HEALTH CODE, 1978 PA 368, MCL 333.2690.

10 (D) ACTIVITIES PROHIBITED UNDER SECTION 16274 OF THE PUBLIC  
11 HEALTH CODE, 1978 PA 368, MCL 333.16274.

12 (E) STEM CELL RESEARCH WITH HUMAN EMBRYONIC TISSUE.

13 (O) "LIFE SCIENCES TECHNOLOGY" MEANS ANY TECHNOLOGY DERIVED  
14 FROM LIFE SCIENCES INTENDED TO IMPROVE HUMAN HEALTH OR THE OVERALL  
15 QUALITY OF HUMAN LIFE, INCLUDING, BUT NOT LIMITED TO, SYSTEMS,  
16 PROCESSES, OR EQUIPMENT FOR DRUG OR GENE THERAPIES, BIOSENSORS,  
17 TESTING, MEDICAL DEVICES OR INSTRUMENTATION WITH A THERAPEUTIC OR  
18 DIAGNOSTIC VALUE, A PHARMACEUTICAL OR OTHER PRODUCT THAT REQUIRES  
19 UNITED STATES FOOD AND DRUG ADMINISTRATION APPROVAL OR REGISTRATION  
20 PRIOR TO ITS INTRODUCTION IN THE MARKETPLACE AND IS A DRUG OR  
21 MEDICAL DEVICE AS DEFINED BY THE FEDERAL FOOD, DRUG, AND COSMETIC  
22 ACT, 21 USC 301 TO 399, OR 1 OR MORE OF THE FOLLOWING:

23 (i) ADVANCED COMPUTING OR ELECTRONIC DEVICE TECHNOLOGY RELATED  
24 TO TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

25 (ii) DESIGN, ENGINEERING, TESTING, OR DIAGNOSTICS RELATED TO  
26 TECHNOLOGY OR THE COMMERCIAL MANUFACTURING OF TECHNOLOGY DESCRIBED  
27 UNDER THIS SUBDIVISION.



1           (iii) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO TECHNOLOGY  
2 DESCRIBED UNDER THIS SUBDIVISION.

3           (P) "QUALIFIED BUSINESS" MEANS A BUSINESS ENTITY LOCATED IN  
4 THIS STATE.

5           (Q) "QUALIFIED MEZZANINE FUND" MEANS A PERSON OR ENTITY  
6 PRIMARILY ENGAGED IN MAKING LOANS OR INVESTMENTS RANGING IN SIZE  
7 FROM \$250,000.00 TO \$6,000,000.00 THAT IS MANAGED BY 2 OR MORE  
8 INDIVIDUALS WITH NO LESS THAN 5 YEARS' DIRECT EXPERIENCE IN  
9 MEZZANINE LENDING OR CAPITAL INVESTMENTS AND THAT HOLDS INVESTMENT  
10 CAPITAL OR HAS COMMITMENTS FROM INVESTORS OTHER THAN THE FUND AND  
11 AT LEAST 2 FINANCIAL INSTITUTIONS.

12           (R) "QUALIFIED PRIVATE EQUITY FUND" MEANS A FIRM PRINCIPALLY  
13 OR PRIMARILY ENGAGED IN INVESTING IN OR ACQUIRING BUSINESSES THAT  
14 IS MANAGED BY 2 OR MORE INDIVIDUALS WITH NO LESS THAN 5 YEARS OF  
15 DIRECT EXPERIENCE IN PRIVATE EQUITY INVESTMENTS, AND THAT HOLDS  
16 INVESTMENT CAPITAL FROM INVESTORS OTHER THAN THE FUND.

17           (S) "QUALIFIED VENTURE CAPITAL FUND" MEANS A FIRM PRINCIPALLY  
18 OR PRIMARILY ENGAGED IN INVESTING IN OR ACQUIRING EARLY STAGE  
19 BUSINESSES WITH GROWTH POTENTIAL THAT HAVE NOT YET DEMONSTRATED  
20 CONSISTENT PROFITABILITY OR A PROVEN BUSINESS MODEL, THAT IS  
21 MANAGED BY 2 OR MORE INDIVIDUALS WITH NOT LESS THAN 5 YEARS OF  
22 DIRECT EXPERIENCE IN VENTURE CAPITAL, AND THAT HOLDS CAPITAL FROM  
23 INVESTORS OTHER THAN THE FUND.

24           (T) "SMALL BUSINESS" MEANS A BUSINESS ENTITY FORMED OR DOING  
25 BUSINESS IN THIS STATE, INCLUDING THE AFFILIATES OF THE BUSINESS  
26 CONCERN, WHICH BUSINESS ENTITY IS INDEPENDENTLY OWNED AND OPERATED  
27 AND EMPLOYS FEWER THAN 250 FULL-TIME EMPLOYEES OR HAS GROSS ANNUAL

1 SALES OF LESS THAN \$6,000,000.00.

2 (U) "21ST CENTURY INVESTMENTS" MEANS INVESTMENTS IN 1 OR MORE  
3 OF THE FOLLOWING:

4 (i) COMMERCIAL LOAN GUARANTEES UNDER A LOAN ENHANCEMENT PROGRAM  
5 OPERATED BY THE FUND.

6 (ii) PRIVATE EQUITY INVESTMENTS UNDER A PRIVATE EQUITY  
7 INVESTMENT PROGRAM OPERATED BY THE FUND.

8 (iii) VENTURE CAPITAL INVESTMENTS UNDER A VENTURE CAPITAL  
9 INVESTMENT PROGRAM OPERATED BY THE FUND.

10 (iv) MEZZANINE INVESTMENTS UNDER A MEZZANINE INVESTMENT PROGRAM  
11 OPERATED BY THE FUND.

12 (V) "STRATEGIC ECONOMIC INVESTMENT AND COMMERCIALIZATION  
13 BOARD" OR "COMMERCIALIZATION BOARD" MEANS THE STRATEGIC ECONOMIC  
14 INVESTMENT AND COMMERCIALIZATION BOARD CREATED IN SECTION 88K.

15 (W) "UNIVERSITY TECHNOLOGY TRANSFER" MEANS INNOVATIVE METHODS  
16 TO ACCELERATE THE CREATION OF START-UP COMPANIES AFFILIATED WITH  
17 INSTITUTIONS OF HIGHER EDUCATION OR THE TRANSFER OF COMPETITIVE  
18 EDGE TECHNOLOGY RESEARCH FROM AN INSTITUTION OF HIGHER EDUCATION TO  
19 A QUALIFIED BUSINESS IN MICHIGAN.

20 SEC. 88B. (1) THE FUND SHALL CREATE AND OPERATE PROGRAMS  
21 AUTHORIZED UNDER THIS CHAPTER. THE FUND BOARD SHALL DETERMINE THE  
22 ANNUAL ALLOCATION OF MONEY FOR PROGRAMS AUTHORIZED UNDER THIS  
23 CHAPTER AND MAKE AUTHORIZED EXPENDITURES OR INVESTMENTS FROM THE  
24 INVESTMENT FUND OF THE 21ST CENTURY JOBS TRUST FUND CREATED IN THE  
25 MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.251 TO 12.256, AS  
26 AUTHORIZED UNDER THIS CHAPTER FOR PROGRAMS AND ACTIVITIES  
27 AUTHORIZED UNDER THIS CHAPTER.

House Bill No. 5047 (H-11) as amended November 10, 2005

(2) MONEY TRANSFERRED OR APPROPRIATED BY LAW TO THE FUND FOR THE PURPOSES OF CARRYING OUT THIS CHAPTER SHALL BE EXPENDED OR INVESTED BY THE FUND AS AUTHORIZED BY LAW FOR THE FOLLOWING PURPOSES:

(A) 21ST CENTURY INVESTMENTS.

(B) GRANTS AND LOANS APPROVED BY THE COMMERCIALIZATION BOARD UNDER SECTION 88K.

(C) OTHER PROGRAMS OR ACTIVITIES AUTHORIZED UNDER THIS CHAPTER.

(3) EXCEPT FOR THE APPROPRIATIONS DESCRIBED IN SECTION 88J(3), THE FUND BOARD SHALL NOT EXPEND MORE THAN THE FOLLOWING AMOUNTS EACH YEAR FROM THE 21ST CENTURY JOBS TRUST FUND CREATED IN THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.251 TO 12.256, FOR THE FOLLOWING PURPOSES:

(A) 25% FOR THE LOAN ENHANCEMENT PROGRAM.

(B) 40% FOR THE PRIVATE EQUITY INVESTMENT PROGRAM, THE VENTURE CAPITAL INVESTMENT PROGRAM, AND THE MEZZANINE INVESTMENT PROGRAM COMBINED.

(C) 70% FOR COMPETITIVE EDGE TECHNOLOGY GRANTS AND LOANS UNDER SECTION 88K. THE COMMERCIALIZATION BOARD SHALL NOT AUTHORIZE THE EXPENDITURE OF MORE THAN \$100,000,000.00 OF THE AMOUNT DESCRIBED IN THIS SUBDIVISION FOR BASIC RESEARCH OVER THE LIFE OF THE PROGRAM.

(4) THE COMMERCIALIZATION BOARD SHALL AUTHORIZE THE EXPENDITURE OF NOT LESS THAN THE FOLLOWING AMOUNTS DESCRIBED IN SUBSECTION (3)(C) AS FOLLOWS:

(A) \$40,000,000.00 IN THE 2005-2006 FISCAL YEAR.

[(B) \$50,000,000.00 IN THE 2006-2007 FISCAL YEAR.]

House Bill No. 5047 (H-11) as amended November 10, 2005

(C) \$30,000,000.00 IN THE 2007-2008 THROUGH THE 2011-2012 FISCAL YEARS.]

(5) NOT MORE THAN 4% OF THE ANNUAL APPROPRIATION AS PROVIDED BY LAW FROM THE 21ST CENTURY JOBS TRUST FUND CREATED IN THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.251 TO 12.256, MAY BE USED FOR THE PURPOSES OF ADMINISTERING THE PROGRAMS AND ACTIVITIES AUTHORIZED UNDER THIS CHAPTER. HOWEVER, THE FUND AND THE FUND BOARD SHALL NOT USE MORE THAN 3% OF THE ANNUAL APPROPRIATION FOR ADMINISTERING THE PROGRAMS AND ACTIVITIES AUTHORIZED UNDER THIS CHAPTER UNLESS THE FUND BOARD BY A 2/3 VOTE AUTHORIZES THE ADDITIONAL 1% FOR ADMINISTRATION.

(6) NOT MORE THAN 5% OF THE ANNUAL APPROPRIATION AS PROVIDED BY LAW FROM THE 21ST CENTURY JOBS TRUST FUND CREATED IN THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.251 TO 12.256, MAY BE USED FOR BUSINESS DEVELOPMENT AND BUSINESS MARKETING COSTS. NOT LESS THAN 80% OF THE FUNDS COMMITTED FOR BUSINESS DEVELOPMENT AND BUSINESS MARKETING COSTS SHALL BE TARGETED TO PERSONS OR ENTITIES OUTSIDE OF THIS STATE. NO FUNDS MAY BE USED FOR ANY BUSINESS DEVELOPMENT AND BUSINESS MARKETING EFFORT THAT INCLUDES A REFERENCE TO OR THE IMAGE OR VOICE OF AN ELECTED STATE OFFICER OR A CANDIDATE FOR ELECTIVE STATE OFFICE AND THAT IS TARGETED TO A MEDIA MARKET IN MICHIGAN. THE FUND BOARD SHALL SELECT ALL VENDORS FOR ALL MARKETING EXPENDITURES UNDER THIS CHAPTER BY ISSUING A REQUEST FOR PROPOSAL. AT A MINIMUM, THE REQUEST FOR PROPOSAL SHALL REQUIRE THE RESPONDING ENTITIES TO DISCLOSE ANY CONFLICT OF INTEREST, DISCLOSE ANY CRIMINAL CONVICTIONS, DISCLOSE ANY INVESTIGATIONS BY THE INTERNAL REVENUE SERVICE OR ANY OTHER FEDERAL OR STATE TAXING BODY OR COURT, DISCLOSE ANY PERTINENT LITIGATION REGARDING THE CONDUCT OF THE

1 ENTITY, AND MAINTAIN RECORDS AND EVIDENCE PERTAINING TO WORK  
2 PERFORMED. THE FUND BOARD SHALL ESTABLISH A STANDARD PROCESS TO  
3 EVALUATE PROPOSALS SUBMITTED AS A RESULT OF A REQUEST FOR PROPOSAL  
4 AND APPOINT A COMMITTEE TO REVIEW THE PROPOSALS.

5 (7) THE FUND SHALL NOT USE ANY MONEY APPROPRIATED OR  
6 TRANSFERRED FOR PURPOSES AUTHORIZED UNDER THIS CHAPTER TO ACQUIRE  
7 INTERESTS IN OR IMPROVE REAL PROPERTY. THE RESTRICTION UNDER THIS  
8 SUBSECTION APPLIES ONLY TO THE FUND AND NOT TO RECIPIENTS OF  
9 EXPENDITURES OR INVESTMENTS UNDER THIS CHAPTER.

10 SEC. 88C. (1) THE FUND BOARD SHALL EXERCISE THE DUTIES OF A  
11 FIDUCIARY WITH RESPECT TO 21ST CENTURY INVESTMENTS CONSISTENT WITH  
12 THE PURPOSES OF THIS CHAPTER. THE PRUDENT INVESTOR RULE SHALL BE  
13 APPLIED BY THE FUND BOARD AND ANY AGENT OF THE FUND BOARD IN THE  
14 MANAGEMENT OF 21ST CENTURY INVESTMENTS. THE PRUDENT INVESTOR RULE  
15 AS APPLIED TO 21ST CENTURY INVESTMENTS MEANS THAT IN MAKING 21ST  
16 CENTURY INVESTMENTS, THE FUND BOARD SHALL EXERCISE THE JUDGMENT AND  
17 CARE UNDER THE CIRCUMSTANCES THEN PREVAILING THAT AN INSTITUTIONAL  
18 INVESTOR OF ORDINARY PRUDENCE, DISCRETION, AND INTELLIGENCE WOULD  
19 EXERCISE IN SIMILAR CIRCUMSTANCES IN A LIKE POSITION. THE FUND  
20 BOARD SHALL MAINTAIN A REASONABLE DIVERSIFICATION AMONG 21ST  
21 CENTURY INVESTMENTS CONSISTENT WITH THE REQUIREMENTS OF THIS  
22 CHAPTER.

23 (2) THE FUND BOARD SHALL SELECT QUALIFIED PRIVATE EQUITY  
24 FUNDS, QUALIFIED VENTURE CAPITAL FUNDS, AND QUALIFIED MEZZANINE  
25 FUNDS BY ISSUING A REQUEST FOR PROPOSAL. AT A MINIMUM, THE REQUEST  
26 FOR PROPOSAL SHALL REQUIRE A RESPONDING ENTITY TO DISCLOSE ANY  
27 CONFLICT OF INTEREST, DISCLOSE ANY CRIMINAL CONVICTIONS, DISCLOSE

1 ANY INVESTIGATIONS BY THE INTERNAL REVENUE SERVICE, THE SECURITIES  
2 AND EXCHANGE COMMISSION, OR ANY OTHER FEDERAL OR STATE TAXING OR  
3 SECURITIES REGULATORY BODY, OR COURT, OR PERTINENT LITIGATION  
4 REGARDING THE CONDUCT OF THE PERSON OR ENTITY. THE FUND BOARD SHALL  
5 ESTABLISH A STANDARD PROCESS TO EVALUATE PROPOSALS SUBMITTED AS A  
6 RESULT OF A REQUEST FOR PROPOSAL AND APPOINT A COMMITTEE TO REVIEW  
7 THE PROPOSALS.

8 (3) THE FUND BOARD SHALL ENSURE THAT A RECIPIENT OF MONEY  
9 UNDER SECTIONS 88D, 88E, 88F, AND 88G AGREES AS A CONDITION OF  
10 RECEIVING THE MONEY NOT TO USE THE MONEY FOR ANY OF THE FOLLOWING:

11 (A) THE DEVELOPMENT OF A STADIUM OR ARENA FOR USE BY A  
12 PROFESSIONAL SPORTS TEAM.

13 (B) THE DEVELOPMENT OF A CASINO REGULATED BY THIS STATE UNDER  
14 THE MICHIGAN GAMING CONTROL AND REVENUE ACT, THE INITIATED LAW OF  
15 1996, MCL 432.201 TO 432.226, A CASINO AT WHICH GAMING IS CONDUCTED  
16 UNDER THE INDIAN GAMING REGULATORY ACT, PUBLIC LAW 100-497, 102  
17 STAT. 2467, OR PROPERTY ASSOCIATED OR AFFILIATED WITH THE OPERATION  
18 OF EITHER TYPE OF CASINO DESCRIBED IN THIS SUBDIVISION, INCLUDING,  
19 BUT NOT LIMITED TO, A PARKING LOT, HOTEL, MOTEL, OR RETAIL STORE.

20 (4) THE FUND BOARD SHALL ESTABLISH REQUIREMENTS TO ENSURE THAT  
21 MONEY EXPENDED UNDER SECTIONS 88D, 88E, 88F, AND 88G SHALL NOT BE  
22 USED FOR ANY OF THE FOLLOWING:

23 (A) PROVISION OF MONEY TO A PERSON WHO HAS BEEN CONVICTED OF A  
24 CRIMINAL OFFENSE INCIDENT TO THE APPLICATION FOR OR PERFORMANCE OF  
25 A STATE CONTRACT OR SUBCONTRACT. AS USED IN THIS SUBDIVISION, IF A  
26 PERSON IS A BUSINESS ENTITY, PERSON INCLUDES AFFILIATES,  
27 SUBSIDIARIES, OFFICERS, DIRECTORS, MANAGERIAL EMPLOYEES, AND ANY

1 PERSON WHO, DIRECTLY OR INDIRECTLY, HOLDS A PECUNIARY INTEREST IN  
2 THAT BUSINESS ENTITY OF 20% OR MORE.

3 (B) PROVISION OF MONEY TO A PERSON WHO HAS BEEN CONVICTED OF A  
4 CRIMINAL OFFENSE, OR HELD LIABLE IN A CIVIL PROCEEDING, THAT  
5 NEGATIVELY REFLECTS ON THE PERSON'S BUSINESS INTEGRITY, BASED ON A  
6 FINDING OF EMBEZZLEMENT, THEFT, FORGERY, BRIBERY, FALSIFICATION OR  
7 DESTRUCTION OF RECORDS, RECEIVING STOLEN PROPERTY, OR VIOLATION OF  
8 STATE OR FEDERAL ANTITRUST STATUTES. AS USED IN THIS SUBDIVISION,  
9 IF A PERSON IS A BUSINESS ENTITY, PERSON INCLUDES AFFILIATES,  
10 SUBSIDIARIES, OFFICERS, DIRECTORS, MANAGERIAL EMPLOYEES, AND ANY  
11 PERSON WHO, DIRECTLY OR INDIRECTLY, HOLDS A PECUNIARY INTEREST IN  
12 THAT BUSINESS ENTITY OF 20% OR MORE.

13 (C) PROVISION OF MONEY TO A BUSINESS ENTERPRISE TO INDUCE  
14 QUALIFIED BUSINESSES OR SMALL BUSINESSES TO LEAVE THIS STATE.

15 (D) PROVISION OF MONEY THAT WOULD CONTRIBUTE TO THE VIOLATION  
16 OF INTERNATIONALLY RECOGNIZED WORKERS RIGHTS, AS DEFINED IN SECTION  
17 507(4) OF THE TRADE ACT OF 1974, 19 USC 2467(4), OF WORKERS IN A  
18 COUNTRY OTHER THAN THE UNITED STATES, INCLUDING ANY DESIGNATED ZONE  
19 OR AREA IN THAT COUNTRY.

20 (E) PROVISION OF MONEY TO A CORPORATION OR AN AFFILIATE OF THE  
21 CORPORATION WHO IS INCORPORATED IN A TAX HAVEN COUNTRY AFTER  
22 SEPTEMBER 11, 2001, WHILE MAINTAINING THE UNITED STATES AS THE  
23 PRINCIPAL MARKET FOR THE PUBLIC TRADING OF THE CORPORATION'S STOCK.  
24 AS USED IN THIS SECTION, "TAX HAVEN COUNTRY" INCLUDES A COUNTRY  
25 WITH TAX LAWS THAT FACILITATE AVOIDANCE BY A CORPORATION OR AN  
26 AFFILIATE OF THE CORPORATION OF UNITED STATES TAX OBLIGATIONS,  
27 INCLUDING BARBADOS, BERMUDA, BRITISH VIRGIN ISLANDS, CAYMAN

1 ISLANDS, COMMONWEALTH OF THE BAHAMAS, CYPRUS, GIBRALTAR, ISLE OF  
2 MAN, THE PRINCIPALITY OF LIECHTENSTEIN, THE PRINCIPALITY OF MONACO,  
3 AND THE REPUBLIC OF THE SEYCHELLES.

4 (5) BEFORE ADOPTING A RESOLUTION THAT ESTABLISHES OR  
5 SUBSTANTIALLY CHANGES A 21ST CENTURY INVESTMENT PROGRAM, INCLUDING  
6 ANY FEES, CHARGES, OR PENALTIES ATTACHED TO THAT PROGRAM, THE FUND  
7 BOARD SHALL GIVE NOTICE OF THE PROPOSED RESOLUTION TO THE GOVERNOR,  
8 TO THE CLERK OF THE HOUSE OF REPRESENTATIVES, TO THE SECRETARY OF  
9 THE SENATE, TO MEMBERS OF THE SENATE AND HOUSE OF REPRESENTATIVES  
10 APPROPRIATION COMMITTEES, AND TO EACH PERSON WHO REQUESTED FROM THE  
11 FUND IN WRITING OR ELECTRONICALLY TO BE NOTIFIED REGARDING PROPOSED  
12 RESOLUTIONS. THE NOTICE AND PROPOSED RESOLUTION AND ALL ATTACHMENTS  
13 SHALL BE PUBLISHED ON THE FUND'S INTERNET WEBSITE. THE FUND BOARD  
14 SHALL HOLD A PUBLIC HEARING NOT SOONER THAN 14 DAYS AND NOT LONGER  
15 THAN 30 DAYS FROM THE DATE NOTICE OF A PROPOSED RESOLUTION IS GIVEN  
16 AND OFFER A PERSON AN OPPORTUNITY TO PRESENT DATA, VIEWS,  
17 QUESTIONS, AND ARGUMENTS. MEMBERS OF THE FUND BOARD OR 1 OR MORE  
18 PERSONS DESIGNATED BY THE FUND BOARD WHO HAVE KNOWLEDGE OF THE  
19 SUBJECT MATTER OF THE PROPOSED RESOLUTION SHALL BE PRESENT AT THE  
20 PUBLIC HEARING AND SHALL PARTICIPATE IN THE DISCUSSION OF THE  
21 PROPOSED RESOLUTION. THE FUND BOARD MAY ACT ON THE PROPOSED  
22 RESOLUTION NO SOONER THAN 14 DAYS AFTER THE PUBLIC HEARING. THE  
23 FUND BOARD SHALL PRODUCE A FINAL DECISION DOCUMENT THAT DESCRIBES  
24 THE BASIS FOR ITS DECISION. THE FINAL RESOLUTION AND ALL  
25 ATTACHMENTS AND THE DECISION DOCUMENT SHALL BE PROVIDED TO THE  
26 GOVERNOR, TO THE CLERK OF THE HOUSE OF REPRESENTATIVES, TO THE  
27 SECRETARY OF THE SENATE, AND TO MEMBERS OF THE SENATE AND HOUSE OF



1 REPRESENTATIVES APPROPRIATION COMMITTEES AND SHALL BE PUBLISHED ON  
2 THE FUND'S INTERNET WEBSITE.

3 (6) THE NOTICE DESCRIBED IN SUBSECTION (5) SHALL INCLUDE ALL  
4 OF THE FOLLOWING:

5 (A) A COPY OF THE PROPOSED RESOLUTION AND ALL ATTACHMENTS.

6 (B) A STATEMENT THAT THE ADDRESSEE MAY EXPRESS ANY DATA,  
7 VIEWS, OR ARGUMENTS REGARDING THE PROPOSED RESOLUTION.

8 (C) THE ADDRESS TO WHICH WRITTEN COMMENTS MAY BE SENT AND THE  
9 DATE BY WHICH COMMENTS MUST BE MAILED OR ELECTRONICALLY  
10 TRANSMITTED, WHICH DATE SHALL NOT BE BEFORE THE DATE OF THE PUBLIC  
11 HEARING.

12 (D) THE DATE, TIME, AND PLACE OF THE PUBLIC HEARING.

13 (7) THE FUND BOARD SHALL EMPLOY OR CONTRACT WITH A FUND  
14 MANAGER OR OTHER PERSONS IT CONSIDERS NECESSARY TO IMPLEMENT THIS  
15 SECTION. THE PERSON EMPLOYED OR CONTRACTED UNDER THIS SUBSECTION  
16 SHALL HAVE NOT LESS THAN 10 YEARS' EXPERIENCE IN COMMERCIAL  
17 LENDING, PRIVATE EQUITY, MEZZANINE FUNDING, OR VENTURE CAPITAL. THE  
18 PERSON EMPLOYED OR CONTRACTED UNDER THIS SECTION SHALL EXERCISE THE  
19 DUTIES OF A FIDUCIARY TOWARD INVESTMENTS FROM THE INVESTMENT FUND  
20 UNDER THIS SECTION. MANAGEMENT FEES PAYABLE BY THE FUND AND OTHER  
21 INVESTORS IN A QUALIFIED PRIVATE EQUITY FUND, A QUALIFIED MEZZANINE  
22 FUND, OR A QUALIFIED VENTURE CAPITAL FUND SHALL BE CONSIDERED AN  
23 INVESTMENT EXPENSE AND NOT AN ADMINISTRATIVE COST INCURRED BY THE  
24 FUND.

25 (8) SUBJECT TO SUBSECTION (9), A RECORD RECEIVED, PREPARED,  
26 USED, OR RETAINED BY AN INVESTMENT FIDUCIARY IN CONNECTION WITH AN  
27 INVESTMENT OR POTENTIAL INVESTMENT OF THE INVESTMENT FUND THAT

1 RELATES TO INVESTMENT INFORMATION PERTAINING TO A PORTFOLIO COMPANY  
2 IN WHICH THE INVESTMENT FIDUCIARY HAS INVESTED OR HAS CONSIDERED AN  
3 INVESTMENT THAT IS CONSIDERED BY THE PORTFOLIO COMPANY AND  
4 ACKNOWLEDGED BY THE INVESTMENT FIDUCIARY AS CONFIDENTIAL, OR THAT  
5 RELATES TO INVESTMENT INFORMATION WHETHER PREPARED BY OR FOR THE  
6 INVESTMENT FIDUCIARY REGARDING LOANS AND ASSETS DIRECTLY OWNED BY  
7 THE INVESTMENT FIDUCIARY AND ACKNOWLEDGED BY THE INVESTMENT  
8 FIDUCIARY AS CONFIDENTIAL, IS EXEMPT FROM THE DISCLOSURE  
9 REQUIREMENTS OF THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL  
10 15.231 TO 15.246, IF AT LEAST ANNUALLY THE FUND PROVIDES TO THE  
11 FUND BOARD, AND MAKES AVAILABLE TO THE PUBLIC, A REPORT OF FUND  
12 INVESTMENTS DURING THE PRIOR STATE FISCAL YEAR THAT INCLUDES ALL OF  
13 THE FOLLOWING:

14 (A) THE NAME OF EACH PORTFOLIO COMPANY IN WHICH THE INVESTMENT  
15 FUND INVESTED DURING THE REPORTING PERIOD.

16 (B) THE AGGREGATE AMOUNT OF MONEY INVESTED BY THE INVESTMENT  
17 FUND IN PORTFOLIO COMPANIES DURING THE REPORTING PERIOD.

18 (C) THE RATE OF RETURN REALIZED DURING THE REPORTING PERIOD ON  
19 THE INVESTMENTS OF THE INVESTMENT FUND IN PORTFOLIO COMPANIES.

20 (D) THE SOURCE OF ANY PUBLIC FUNDS INVESTED BY THE INVESTMENT  
21 FUND IN PORTFOLIO COMPANIES DURING THE REPORTING PERIOD.

22 (9) IF A RECORD DESCRIBED IN SUBSECTION (8) IS AN AGREEMENT OR  
23 INSTRUMENT TO WHICH AN INVESTMENT FIDUCIARY IS A PARTY, ONLY THOSE  
24 PARTS OF THE RECORD THAT CONTAIN INVESTMENT INFORMATION ARE EXEMPT  
25 FROM THE DISCLOSURE REQUIREMENTS OF THE FREEDOM OF INFORMATION ACT,  
26 1976 PA 442, MCL 15.231 TO 15.246.

27 (10) AS USED IN SUBSECTIONS (8) AND (9):

1 (A) "INVESTMENT FIDUCIARY" MEANS A PERSON WHO EXERCISES ANY  
2 DISCRETIONARY AUTHORITY OR CONTROL OVER AN INVESTMENT OF THE  
3 INVESTMENT FUND OR RENDERS INVESTMENT ADVICE FOR THE FUND FOR A FEE  
4 OR OTHER DIRECT OR INDIRECT COMPENSATION.

5 (B) "INVESTMENT INFORMATION" MEANS INFORMATION THAT HAS NOT  
6 BEEN PUBLICLY DISSEMINATED OR THAT IS UNAVAILABLE FROM OTHER  
7 SOURCES, THE RELEASE OF WHICH MIGHT CAUSE A PORTFOLIO COMPANY OR AN  
8 INVESTMENT FIDUCIARY SIGNIFICANT COMPETITIVE HARM. INVESTMENT  
9 INFORMATION INCLUDES, BUT IS NOT LIMITED TO, FINANCIAL PERFORMANCE  
10 DATA AND PROJECTIONS, FINANCIAL STATEMENTS, LIST OF COINVESTORS AND  
11 THEIR LEVEL OF INVESTMENT, PRODUCT AND MARKET DATA, RENT ROLLS, AND  
12 LEASES.

13 (C) "PORTFOLIO COMPANY" MEANS AN ENTITY IN WHICH AN INVESTMENT  
14 FIDUCIARY HAS MADE OR CONSIDERED AN INVESTMENT ON BEHALF OF THE  
15 INVESTMENT FUND.

16 (D) "RECORD" MEANS ALL OR PART OF A WRITING, AS THAT TERM IS  
17 DEFINED IN SECTION 2 OF THE FREEDOM OF INFORMATION ACT, 1976 PA  
18 442, MCL 15.232.

19 SEC. 88D. (1) THE FUND SHALL CREATE AND OPERATE A LOAN  
20 ENHANCEMENT PROGRAM.

21 (2) AS A SEPARATE AND DISTINCT PART OF THE LOAN ENHANCEMENT  
22 PROGRAM, THE FUND MAY CREATE A LOAN GUARANTEE PROGRAM THAT DOES ALL  
23 OF THE FOLLOWING:

24 (A) PROVIDE A LOAN GUARANTEE MECHANISM TO FINANCIAL  
25 INSTITUTIONS LOCATED IN THIS STATE THAT PROVIDE COMMERCIAL LOANS TO  
26 QUALIFIED BUSINESSES, PUBLIC AUTHORITIES, AND LOCAL UNITS OF  
27 GOVERNMENT.

1 (B) ENSURES THAT PARTICIPATING FINANCIAL INSTITUTIONS DO NOT  
2 REFINANCE PRIOR DEBT.

3 (C) PROVIDE THAT A QUALIFIED BUSINESS IS ONLY ELIGIBLE FOR A  
4 LOAN GUARANTEE UNDER THIS SECTION IF IT HAS A DOCUMENTED GROWTH  
5 OPPORTUNITY. AS USED IN THIS SUBDIVISION, "DOCUMENTED GROWTH  
6 OPPORTUNITY" MEANS A PLANT EXPANSION, CAPITAL EQUIPMENT INVESTMENT,  
7 ACQUISITION OF INTELLECTUAL PROPERTY OR TECHNOLOGY, OR THE HIRING  
8 OF NEW EMPLOYEES TO MEET OR SATISFY A NEW BUSINESS OPPORTUNITY.

9 (D) PROVIDE THAT A QUALIFIED BUSINESS THAT ENGAGES PRIMARILY  
10 IN RETAIL SALES IS NOT ELIGIBLE FOR A LOAN GUARANTEE UNDER THIS  
11 CHAPTER UNLESS THE FUND BOARD MAKES A SPECIFIC FINDING THAT THE  
12 LOAN GUARANTEE SUPPORTS A NEW CONCEPT THAT HAS SIGNIFICANT GROWTH  
13 POTENTIAL.

14 (E) PROVIDE REPAYMENT PROVISIONS FOR A LOAN OR A GUARANTEE  
15 GIVEN TO A QUALIFIED BUSINESS THAT LEAVES MICHIGAN WITHIN 3 YEARS  
16 OF THE PROVISION OF THE LOAN OR GUARANTEE OR OTHERWISE BREACHES THE  
17 TERMS OF AN AGREEMENT WITH THE FUND.

18 (3) AS A SEPARATE AND DISTINCT PART OF THE LOAN ENHANCEMENT  
19 PROGRAM, THE FUND SHALL REESTABLISH THE SMALL BUSINESS CAPITAL  
20 ACCESS PROGRAM THAT WAS PREVIOUSLY OPERATED BY THE FUND FOR SMALL  
21 BUSINESSES IN A MANNER SIMILAR TO HOW THAT PROGRAM WAS OPERATED  
22 BEFORE JANUARY 1, 2002. THE SMALL BUSINESS CAPITAL ACCESS PROGRAM  
23 SHALL OPERATE ON A MARKET-DRIVEN BASIS AND PROVIDE FOR PREMIUM  
24 PAYMENTS BY BORROWERS INTO A SPECIAL RESERVE FUND. THE SMALL  
25 BUSINESS CAPITAL ACCESS PROGRAM ESTABLISHED BY THE BOARD SHALL  
26 PROHIBIT AN OFFICER, DIRECTOR, PRINCIPAL SHAREHOLDER OF A  
27 PARTICIPATING FINANCIAL INSTITUTION, OR HIS OR HER IMMEDIATE FAMILY

1 MEMBERS FROM RECEIVING A SMALL BUSINESS CAPITAL ACCESS PROGRAM LOAN  
2 FROM THE FINANCIAL INSTITUTION. A LOAN UNDER THE SMALL BUSINESS  
3 CAPITAL ACCESS PROGRAM SHALL PROVIDE THAT THE PROCEEDS OF A LOAN  
4 MAY ONLY BE USED FOR A BUSINESS PURPOSE WITHIN THIS STATE AND MAY  
5 NOT BE USED FOR ANY OF THE FOLLOWING:

6 (A) THE CONSTRUCTION OR PURCHASE OF RESIDENTIAL HOUSING.

7 (B) TO FINANCE PASSIVE REAL ESTATE OWNERSHIP.

8 (C) TO REFINANCE PRIOR DEBT FROM THE PARTICIPATING FINANCIAL  
9 INSTITUTION THAT IS NOT PART OF THE SMALL BUSINESS CAPITAL ACCESS  
10 PROGRAM.

11 SEC. 88E. WHEN CREATING PROGRAMS FOR 21ST CENTURY INVESTMENTS  
12 UNDER THIS CHAPTER, THE FUND SHALL CREATE AND OPERATE A PRIVATE  
13 EQUITY INVESTMENT PROGRAM. THE FUND BOARD SHALL AUTHORIZE  
14 INVESTMENTS ONLY IN OR ALONGSIDE A QUALIFIED PRIVATE EQUITY FUND.  
15 THE PRIVATE EQUITY INVESTMENT PROGRAM SHALL DO ALL OF THE  
16 FOLLOWING:

17 (A) PROVIDE THAT THE RETURN ON INVESTMENT THAT IS SOUGHT IS  
18 GREATER THAN THE RETURN ON INVESTMENT UNDER THE COMMERCIAL LOAN  
19 PORTION OF THE LOAN ENHANCEMENT PROGRAM TO REFLECT THE GREATER  
20 RISK.

21 (B) PROVIDE THAT THE QUALIFIED PRIVATE EQUITY FUND WILL HAVE  
22 AN AMOUNT AT RISK GREATER THAN THE FUND'S INVESTMENT.

23 (C) PROVIDE THAT A QUALIFIED PRIVATE EQUITY FUND IS NOT  
24 ELIGIBLE TO PARTICIPATE IN A PRIVATE EQUITY INVESTMENT PROGRAM  
25 UNLESS IT OPERATES A BUSINESS DEVELOPMENT OFFICE IN THIS STATE  
26 STAFFED WITH AT LEAST 1 FULL-TIME EQUIVALENT EMPLOYEE WHO IS  
27 ACTIVELY SEEKING OPPORTUNITIES FOR INVESTMENTS IN BUSINESSES

1 LOCATED IN THIS STATE UNLESS THE INVESTMENT OPPORTUNITY REQUESTED  
2 BY THE QUALIFIED PRIVATE EQUITY FUND IS TARGETED TO A SPECIFIC  
3 TRANSACTION THAT WILL SAVE JOBS AND WILL NOT OCCUR WITHOUT THE  
4 FUND'S INVESTMENT AS DETERMINED BY THE FUND BOARD.

5 (D) PROVIDE THAT A QUALIFIED PRIVATE EQUITY FUND IS NOT  
6 ELIGIBLE TO PARTICIPATE IN A PRIVATE EQUITY INVESTMENT PROGRAM  
7 UNLESS IT AGREES TO MAKE INVESTMENTS IN THIS STATE AT A PERCENTAGE  
8 RATE THAT IS NOT LESS THAN THE PERCENTAGE RATE THAT THE FUND'S  
9 INVESTMENT IN THE QUALIFIED PRIVATE EQUITY FUND BEARS TO THE TOTAL  
10 AMOUNT IN THE QUALIFIED PRIVATE EQUITY FUND.

11 (E) PROVIDE THAT A QUALIFIED PRIVATE EQUITY FUND IS NOT  
12 ELIGIBLE TO PARTICIPATE IN A PRIVATE EQUITY INVESTMENT PROGRAM IF  
13 ITS INVESTMENT STRATEGY PROVIDES FOR THE BREAKUP AND LIQUIDATION OF  
14 BUSINESSES. THE FUND BOARD SHALL MAKE SURE THAT THE AGREEMENTS WITH  
15 A PRIVATE EQUITY FUND HAVE THE APPROPRIATE PROVISIONS TO PROHIBIT  
16 THE ACTIONS DESCRIBED IN THIS SUBDIVISION.

17 SEC. 88F. WHEN CREATING PROGRAMS FOR 21ST CENTURY INVESTMENTS  
18 UNDER THIS CHAPTER, THE FUND SHALL CREATE AND OPERATE THE VENTURE  
19 CAPITAL INVESTMENT PROGRAM. THE FUND BOARD SHALL AUTHORIZE  
20 INVESTMENTS THAT SHALL INVEST ONLY IN OR ALONGSIDE A QUALIFIED  
21 VENTURE CAPITAL FUND THAT INVESTS PRIMARILY IN EARLY STAGE  
22 BUSINESSES. THE VENTURE CAPITAL INVESTMENT PROGRAM SHALL DO ALL OF  
23 THE FOLLOWING:

24 (A) PROVIDE THAT THE RETURN ON INVESTMENT THAT IS SOUGHT IS  
25 GREATER THAN THE RETURN ON INVESTMENT UNDER THE COMMERCIAL LOAN  
26 PORTION OF THE LOAN ENHANCEMENT PROGRAM TO REFLECT THE GREATER  
27 RISK.

1 (B) PROVIDE THAT THE QUALIFIED VENTURE CAPITAL FUND WILL HAVE  
2 AN AMOUNT AT RISK GREATER THAN THE FUND'S INVESTMENT.

3 (C) PROVIDE THAT A QUALIFIED VENTURE CAPITAL FUND IS NOT  
4 ELIGIBLE TO PARTICIPATE IN A VENTURE CAPITAL INVESTMENT PROGRAM  
5 UNLESS IT OPERATES A BUSINESS DEVELOPMENT OFFICE IN THIS STATE  
6 STAFFED WITH AT LEAST 1 FULL-TIME EQUIVALENT EMPLOYEE WHO IS  
7 ACTIVELY SEEKING OPPORTUNITIES FOR VENTURE CAPITAL INVESTMENTS IN  
8 BUSINESSES LOCATED IN THIS STATE UNLESS THE INVESTMENT OPPORTUNITY  
9 REQUESTED BY THE QUALIFIED VENTURE CAPITAL FUND IS TARGETED TO A  
10 SPECIFIC TRANSACTION INVOLVING A COMPETITIVE EDGE TECHNOLOGY THAT  
11 WILL NOT OCCUR WITHOUT THE FUND'S INVESTMENT AS DETERMINED BY THE  
12 FUND BOARD.

13 (D) PROVIDE THAT A QUALIFIED VENTURE CAPITAL FUND IS NOT  
14 ELIGIBLE TO PARTICIPATE IN A VENTURE CAPITAL INVESTMENT PROGRAM  
15 UNLESS IT AGREES TO MAKE VENTURE CAPITAL INVESTMENTS IN THIS STATE  
16 AT A PERCENTAGE RATE THAT IS NOT LESS THAN THE PERCENTAGE RATE THAT  
17 THE FUND'S INVESTMENT IN THE QUALIFIED VENTURE CAPITAL FUND BEARS  
18 TO THE TOTAL AMOUNT IN THE QUALIFIED VENTURE CAPITAL FUND.

19 (E) PROVIDE THAT A QUALIFIED VENTURE CAPITAL FUND IS NOT  
20 ELIGIBLE TO PARTICIPATE IN A VENTURE CAPITAL INVESTMENT PROGRAM IF  
21 ITS INVESTMENT STRATEGY PROVIDES FOR THE BREAKUP AND LIQUIDATION OF  
22 BUSINESSES. THE FUND BOARD SHALL MAKE SURE THAT THE AGREEMENTS WITH  
23 A VENTURE CAPITAL FUND HAVE THE APPROPRIATE PROVISIONS TO PROHIBIT  
24 THE ACTIONS DESCRIBED IN THIS SUBDIVISION.

25 (F) COORDINATE WITH THE MICHIGAN EARLY STAGE VENTURE  
26 INVESTMENT FUND AS DEFINED IN SECTION 3 OF THE MICHIGAN EARLY STAGE  
27 VENTURE INVESTMENT ACT OF 2003, 2003 PA 296, MCL 125.2233, TO

1 ENSURE THAT A CONTINUUM OF VENTURE CAPITAL IS AVAILABLE IN THIS  
2 STATE.

3 (G) PROVIDE THAT 80% OF THE FUNDS ALLOCATED TO A VENTURE  
4 CAPITAL INVESTMENT PROGRAM SHALL FOCUS ON COMPETITIVE EDGE  
5 TECHNOLOGIES.

6 (H) PROVIDE THAT A QUALIFIED VENTURE CAPITAL FUND MAY MAKE  
7 FOLLOW-UP INVESTMENTS THAT WERE ELIGIBLE FOR INVESTMENT AT THE TIME  
8 OF INITIAL INVESTMENT BUT THAT SUBSEQUENTLY MAY NOT BE  
9 CHARACTERIZED AS AN INVESTMENT IN AN EARLY STAGE BUSINESS.

10 SEC. 88G. WHEN CREATING PROGRAMS FOR 21ST CENTURY INVESTMENTS  
11 UNDER THIS CHAPTER, THE FUND SHALL CREATE AND OPERATE A MEZZANINE  
12 INVESTMENT PROGRAM. THE FUND BOARD SHALL AUTHORIZE INVESTMENTS IN  
13 OR ALONGSIDE A QUALIFIED MEZZANINE FUND UNDER A MEZZANINE  
14 INVESTMENT PROGRAM PROVIDING FOR ALL OF THE FOLLOWING:

15 (A) THAT THE RETURN ON INVESTMENT THAT IS SOUGHT IS GREATER  
16 THAN THE RETURN ON INVESTMENT UNDER THE COMMERCIAL LOAN PORTION OF  
17 THE LOAN ENHANCEMENT PROGRAM TO REFLECT THE GREATER RISK.

18 (B) THAT THE QUALIFIED MEZZANINE FUND WILL HAVE AN AMOUNT AT  
19 RISK GREATER THAN THE FUND'S INVESTMENT.

20 (C) THAT A QUALIFIED MEZZANINE FUND IS NOT ELIGIBLE TO  
21 PARTICIPATE IN A MEZZANINE INVESTMENT PROGRAM UNLESS IT OPERATES A  
22 BUSINESS DEVELOPMENT OFFICE IN THIS STATE STAFFED WITH AT LEAST 1  
23 FULL-TIME EQUIVALENT EMPLOYEE WHO IS ACTIVELY SEEKING OPPORTUNITIES  
24 FOR MEZZANINE INVESTMENTS IN BUSINESSES LOCATED IN THIS STATE.

25 (D) THAT A QUALIFIED MEZZANINE FUND IS NOT ELIGIBLE TO  
26 PARTICIPATE IN A MEZZANINE INVESTMENT PROGRAM UNLESS IT AGREES TO  
27 MAKE MEZZANINE INVESTMENTS IN THIS STATE AT A PERCENTAGE RATE THAT



1 IS NOT LESS THAN THE PERCENTAGE RATE THAT THE FUND'S INVESTMENT IN  
2 THE QUALIFIED MEZZANINE FUND BEARS TO THE TOTAL AMOUNT IN THE  
3 QUALIFIED MEZZANINE FUND.

4 (E) THAT A QUALIFIED MEZZANINE FUND IS NOT ELIGIBLE TO  
5 PARTICIPATE IN A MEZZANINE INVESTMENT PROGRAM IF ITS INVESTMENT  
6 STRATEGY PROVIDES FOR THE BREAKUP AND LIQUIDATION OF BUSINESSES.  
7 THE FUND BOARD SHALL MAKE SURE THAT THE AGREEMENTS WITH A QUALIFIED  
8 MEZZANINE FUND HAVE THE APPROPRIATE PROVISIONS TO PROHIBIT THE  
9 ACTIONS DESCRIBED IN THIS SUBDIVISION.

10 SEC. 88H. (1) THE JOBS FOR MICHIGAN INVESTMENT FUND IS CREATED  
11 WITHIN THE FUND AS A PERMANENT FUND AUTHORIZED BY SECTION 19 OF  
12 ARTICLE IX OF THE STATE CONSTITUTION OF 1963. MONEY IN THE  
13 INVESTMENT FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE  
14 INVESTMENT FUND AND SHALL NOT LAPSE TO THE GENERAL FUND. MONEY IN  
15 THE INVESTMENT FUND SHALL NOT BE TRANSFERRED TO ANOTHER  
16 GOVERNMENTAL ENTITY OR A SEPARATE LEGAL ENTITY AND PUBLIC BODY  
17 CORPORATE ESTABLISHED UNDER THE URBAN COOPERATION ACT OF 1967, 1967  
18 (EX SESS) PA 7, MCL 124.501 TO 124.512, EXCEPT AS AUTHORIZED IN  
19 THIS CHAPTER.

20 (2) MONEY OR OTHER ASSETS DEPOSITED IN THE INVESTMENT FUND  
21 SHALL BE HELD AS PERMANENT FUNDS AS PROVIDED UNDER SECTION 19 OF  
22 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 AND INVESTED ONLY AS  
23 AUTHORIZED UNDER THIS CHAPTER, INCLUDING, BUT NOT LIMITED TO,  
24 INVESTMENTS IN THE STOCK OF A COMPANY, ASSOCIATION, OR CORPORATION.

25 (3) THE INVESTMENT FUND SHALL BE INVESTED AS AUTHORIZED UNDER  
26 THIS CHAPTER FOR THE BENEFIT OF THE PEOPLE OF THE STATE OF MICHIGAN  
27 AND FOR THE PURPOSE OF CREATING INCENTIVES FOR THE FOLLOWING IN

1 THIS STATE:

2 (A) DIVERSIFYING THE ECONOMY.

3 (B) RETAINING OR CREATING JOBS.

4 (C) INCREASING CAPITAL INVESTMENT ACTIVITY.

5 (D) INCREASING COMMERCIAL LENDING ACTIVITY.

6 (E) ENCOURAGING THE DEVELOPMENT AND COMMERCIALIZATION OF  
7 COMPETITIVE EDGE TECHNOLOGIES.

8 (4) FUNDS OR OTHER ASSETS OF THE INVESTMENT FUND ALSO MAY BE  
9 INVESTED IN DEBT INSTRUMENTS OR DEBT OBLIGATIONS FOR LOANS OR  
10 GUARANTEES AUTHORIZED UNDER THIS CHAPTER.

11 (5) THE INVESTMENT FUND SHALL CONSIST OF ALL OF THE FOLLOWING:

12 (A) ANY FUNDS APPROPRIATED TO, TRANSFERRED TO, OR DEPOSITED IN  
13 THE INVESTMENT FUND FROM THE 21ST CENTURY JOBS TRUST FUND UNDER THE  
14 MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.251 TO 12.256.

15 (B) EARNINGS, ROYALTIES, RETURN ON INVESTMENTS, RETURN OF  
16 PRINCIPAL, PAYMENTS MADE, OR OTHER MONEY RECEIVED BY OR PAYABLE TO  
17 THE FUND UNDER AGREEMENTS RELATED TO GRANTS, LOANS, INVESTMENTS, OR  
18 EXPENDITURES BY THE FUND UNDER THIS CHAPTER.

19 (C) ASSETS, PROPERTY, MONEY, EARNINGS, ROYALTIES, RETURN ON  
20 INVESTMENTS, RETURN OF PRINCIPAL, PAYMENTS MADE, OR OTHER MONEY  
21 OWED, RECEIVED BY, OR PAYABLE TO THE FUND OR THE MICHIGAN ECONOMIC  
22 DEVELOPMENT CORPORATION UNDER AGREEMENTS RELATED TO GRANTS, LOANS,  
23 INVESTMENTS, OR OTHER PAYMENTS FUNDED BY APPROPRIATIONS FROM THE  
24 STATE GENERAL FUND OR TOBACCO SETTLEMENT REVENUE UNDER 1 OR MORE OF  
25 THE FOLLOWING:

26 (i) SECTION 418 OF 1999 PA 120, COMMONLY KNOWN AS THE HEALTH  
27 AND AGING RESEARCH AND DEVELOPMENT INITIATIVE OR THE MICHIGAN LIFE

1 SCIENCES CORRIDOR INITIATIVE, OR ANY SUCCESSOR PROGRAM.

2 (ii) SECTION 410 OF 2000 PA 292, COMMONLY KNOWN AS THE HEALTH  
3 AND AGING RESEARCH AND DEVELOPMENT INITIATIVE OR THE MICHIGAN LIFE  
4 SCIENCES CORRIDOR INITIATIVE, OR ANY SUCCESSOR PROGRAM.

5 (iii) SECTION 410 OF 2001 PA 80, COMMONLY KNOWN AS THE HEALTH  
6 AND AGING RESEARCH AND DEVELOPMENT INITIATIVE OR THE MICHIGAN LIFE  
7 SCIENCES CORRIDOR INITIATIVE, OR ANY SUCCESSOR PROGRAM.

8 (iv) SECTION 410 OF 2002 PA 517, COMMONLY KNOWN AS THE MICHIGAN  
9 LIFE SCIENCES CORRIDOR INITIATIVE, OR ANY SUCCESSOR PROGRAM.

10 (v) SECTION 410 OF 2003 PA 169, COMMONLY KNOWN AS THE MICHIGAN  
11 LIFE SCIENCES AND TECHNOLOGY TRI-CORRIDOR INITIATIVE, OR ANY  
12 SUCCESSOR PROGRAM.

13 (vi) SECTION 510 OF 2004 PA 354, COMMONLY KNOWN AS THE MICHIGAN  
14 TECHNOLOGY TRI-CORRIDOR AND LIFE SCIENCES INITIATIVE, OR ANY  
15 SUCCESSOR PROGRAM.

16 (vii) SECTION 801 OF 2005 PA 11, COMMONLY KNOWN AS THE  
17 TECHNOLOGY TRI-CORRIDOR AND LIFE SCIENCES INITIATIVE, OR ANY  
18 SUCCESSOR PROGRAM.

19 (viii) SECTION 381(1)(C) OF 2003 PA 173, PROVIDING FOR PAYMENTS  
20 TO THE LIFE SCIENCES COMMERCIAL DEVELOPMENT FUND.

21 (D) MONEY OR ASSETS RECEIVED BY THE STATE TREASURER OR THE  
22 FUND FROM ANY SOURCE FOR DEPOSIT IN THE INVESTMENT FUND.

23 (E) INTEREST AND EARNINGS ON ANY FUNDS OR OTHER ASSETS  
24 DEPOSITED IN THE INVESTMENT FUND OR OTHER NET INCOME OF THE  
25 INVESTMENT FUND.

26 (6) THE NET INCOME OF THE INVESTMENT FUND MAY BE EXPENDED BY  
27 THE FUND ONLY FOR PURPOSES AUTHORIZED UNDER THIS CHAPTER PURSUANT

1 TO AN APPROPRIATION AUTHORIZED BY LAW. AS USED IN THIS SECTION, THE  
2 NET INCOME OF THE INVESTMENT FUND SHALL BE COMPUTED ANNUALLY AS OF  
3 THE LAST DAY OF THE STATE FISCAL YEAR IN ACCORDANCE WITH GENERALLY  
4 ACCEPTED ACCOUNTING PRINCIPLES, EXCLUDING ANY UNREALIZED GAINS OR  
5 LOSSES.

6 (7) THE FUND BOARD SHALL BE THE TRUSTEES OF THE INVESTMENT  
7 FUND AND SHALL DIRECT THE INVESTMENT AND REINVESTMENT OF THE FUNDS  
8 AND ASSETS OF THE INVESTMENT FUND AS PROVIDED UNDER, AND CONSISTENT  
9 WITH THE OBJECTIVES OF, THIS CHAPTER.

10 (8) THE FUND BOARD MAY ESTABLISH RESTRICTED SUBACCOUNTS WITHIN  
11 THE INVESTMENT FUND AS NECESSARY TO ADMINISTER THE INVESTMENT FUND.  
12 THE FUND BOARD MAY CONTRACT WITH THE STATE TREASURER TO ASSIST THE  
13 FUND BOARD IN ADMINISTERING THE INVESTMENT FUND. THE FUND BOARD MAY  
14 AUTHORIZE MONEY IN THE INVESTMENT FUND NOT INVESTED AS AUTHORIZED  
15 UNDER SECTIONS 88D, 88E, 88F, AND 88G TO BE MANAGED BY THE STATE  
16 TREASURER AS PART OF THE COMMON CASH FUND OF THIS STATE UNDER 1967  
17 PA 55, MCL 12.51 TO 12.53. MONEY MANAGED BY THE STATE TREASURER  
18 UNDER THIS SUBSECTION SHALL BE SEPARATELY ACCOUNTED FOR BY THE  
19 STATE TREASURER. WHEN AUTHORIZED UNDER THIS SUBSECTION, THE STATE  
20 TREASURER MAY INVEST THE FUNDS OR ASSETS OF THE INVESTMENT FUND IN  
21 ANY INVESTMENT AUTHORIZED UNDER 1855 PA 105, MCL 21.141 TO 21.147,  
22 FOR SURPLUS FUNDS OF THIS STATE, IN OBLIGATIONS ISSUED BY ANY STATE  
23 OR POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE UNITED STATES,  
24 OR IN ANY OBLIGATION ISSUED, ASSUMED, OR GUARANTEED BY A SOLVENT  
25 ENTITY CREATED OR EXISTING UNDER THE LAWS OF THE UNITED STATES OR  
26 OF ANY STATE, DISTRICT, OR TERRITORY OF THE UNITED STATES, WHICH  
27 ARE NOT IN DEFAULT AS TO PRINCIPAL OR INTEREST.

1           (9) A MEMBER OF THE FUND BOARD OR OFFICER OF THE FUND SHALL  
2 NOT GAIN FROM ANY INVESTMENT OF FUNDS OR ASSETS OF THE INVESTMENT  
3 FUND. A MEMBER OF THE FUND BOARD OR OFFICER OF THE FUND SHALL NOT  
4 HAVE ANY DIRECT OR INDIRECT INTEREST IN AN INVESTMENT OF FUNDS OR  
5 ASSETS OF THE INVESTMENT FUND. A MEMBER OF THE FUND BOARD OR PERSON  
6 CONNECTED WITH THE INVESTMENT FUND DIRECTLY OR INDIRECTLY, FOR  
7 HIMSELF OR HERSELF, OR AS AN AGENT OR PARTNER OF OTHERS, SHALL NOT  
8 BORROW ANY OF THE FUNDS OR ASSETS OF THE INVESTMENT FUND OR IN ANY  
9 MANNER USE FUNDS OR ASSETS OF THE INVESTMENT FUND EXCEPT AS  
10 AUTHORIZED UNDER THIS CHAPTER. A MEMBER OF THE FUND BOARD OR  
11 OFFICER OF THE FUND SHALL NOT BECOME AN ENDORSER OR SURETY OR  
12 BECOME IN ANY MANNER AN OBLIGOR FOR MONEY LOANED BY OR BORROWED  
13 FROM THE INVESTMENT FUND. FAILURE TO COMPLY WITH THIS SUBSECTION  
14 CONSTITUTES MISCONDUCT IN OFFICE SUBJECT TO REMOVAL UNDER SECTION  
15 94.

16           SEC. 88I. (1) THE OFFICE OF THE CHIEF COMPLIANCE OFFICER IS  
17 CREATED WITHIN THE FUND. THE OFFICE SHALL EXERCISE ITS POWERS AND  
18 DUTIES UNDER THIS SECTION INDEPENDENTLY OF THE FUND.

19           (2) THE OFFICE SHALL ASSIST THE FUND BOARD WITH THE CREATION,  
20 IMPLEMENTATION, MONITORING, AND ENFORCEMENT OF POLICIES AND  
21 PROCEDURES TO PREVENT ILLEGAL, UNETHICAL, OR IMPROPER CONDUCT ON  
22 THE PART OF FUND BOARD MEMBERS, COMMERCIALIZATION BOARD MEMBERS AND  
23 EMPLOYEES, OR AGENTS OF THE FUND BOARD AND COMMERCIALIZATION BOARD  
24 IN CARRYING OUT THEIR DUTIES UNDER THIS CHAPTER.

25           (3) THE PRINCIPAL EXECUTIVE OFFICER OF THE OFFICE IS THE CHIEF  
26 COMPLIANCE OFFICER. THE STATE ADMINISTRATIVE BOARD SHALL BE THE  
27 APPOINTING AUTHORITY OF THE CHIEF COMPLIANCE OFFICER.

1           (4) A PERSON MAY NOT INTERFERE WITH, PREVENT, OR PROHIBIT THE  
2 CHIEF COMPLIANCE OFFICER FROM CARRYING OUT HIS OR HER DUTIES AS  
3 ESTABLISHED IN THIS SECTION AND SET BY THE STATE ADMINISTRATIVE  
4 BOARD. THE CHIEF COMPLIANCE OFFICER IS AN EMPLOYEE FOR PURPOSES OF  
5 THE WHISTLEBLOWERS' PROTECTION ACT, 1980 PA 469, MCL 15.361 TO  
6 15.369.

7           (5) ALL DEPARTMENTS, STATE AGENCIES, COMMITTEES,  
8 COMMISSIONERS, OR OFFICERS OF THIS STATE, THE MEDC, AND ANY  
9 POLITICAL SUBDIVISION OF THIS STATE, SO FAR AS IS COMPATIBLE WITH  
10 THEIR DUTIES, SHALL GIVE THE CHIEF COMPLIANCE OFFICER ANY NECESSARY  
11 ASSISTANCE REQUIRED BY THE CHIEF COMPLIANCE OFFICER IN THE  
12 PERFORMANCE OF THE DUTIES OF THE CHIEF COMPLIANCE OFFICER. ALL  
13 DEPARTMENTS, STATE AGENCIES, COMMITTEES, COMMISSIONERS, OR OFFICERS  
14 OF THIS STATE, THE MEDC, AND ANY POLITICAL SUBDIVISION OF THIS  
15 STATE SHALL PROVIDE THE CHIEF COMPLIANCE OFFICER FREE ACCESS TO ANY  
16 BOOK, RECORD, OR DOCUMENT IN THEIR CUSTODY, RELATING TO THE MATTERS  
17 WITHIN THE SCOPE OF THE CHIEF COMPLIANCE OFFICER IN THE PERFORMANCE  
18 OF HIS OR HER DUTIES.

19           (6) THE CHIEF COMPLIANCE OFFICER SHALL DO ALL OF THE  
20 FOLLOWING:

21           (A) RECOMMEND POLICIES AND PROCEDURES, INCLUDING, BUT NOT  
22 LIMITED TO, A CONFLICT OF INTEREST POLICY, AN INVESTMENT POLICY,  
23 AND AN ETHICS POLICY TO THE FUND BOARD AND THE COMMERCIALIZATION  
24 BOARD THAT SHALL PROTECT THE STATE'S ASSETS CONSISTENT WITH THE  
25 REQUIREMENTS OF THIS CHAPTER AND APPLICABLE STATE AND FEDERAL LAW.  
26 THE CHIEF COMPLIANCE OFFICER SHALL ALSO ASSIST IN THE DESIGN OF THE  
27 POLICIES AND PROCEDURES THAT WILL PREVENT VIOLATIONS FROM

1 OCCURRING, DETECT VIOLATIONS THAT HAVE OCCURRED, AND CORRECT SUCH  
2 VIOLATIONS PROMPTLY.

3 (B) ASSIST EMPLOYEES AND AGENTS OF THE BOARD AND THE  
4 COMMERCIALIZATION BOARD TO ENSURE THAT THEY ARE IN COMPLIANCE WITH  
5 INTERNAL POLICIES AND PROCEDURES AND WITH APPLICABLE STATE AND  
6 FEDERAL LAW.

7 (C) PROVIDE GUIDANCE TO THE BOARD, THE COMMERCIALIZATION  
8 BOARD, AND EMPLOYEES OF THE BOARD AND THE COMMERCIALIZATION BOARD  
9 ON MATTERS RELATED TO COMPLIANCE WITH INTERNAL POLICIES AND  
10 PROCEDURES AND WITH APPLICABLE STATE AND FEDERAL LAW.

11 (D) MAKE RECOMMENDATIONS TO THE BOARD, THE COMMERCIALIZATION  
12 BOARD, AND EMPLOYEES OF THE BOARD AND THE COMMERCIALIZATION BOARD  
13 REGARDING THE APPROPRIATE EVALUATION, INVESTIGATION, AND RESOLUTION  
14 OF ISSUES AND CONCERNS REGARDING COMPLIANCE WITH INTERNAL POLICIES  
15 AND PROCEDURES AND WITH APPLICABLE STATE AND FEDERAL LAW.

16 (E) REVIEW AND EVALUATE COMPLIANCE WITH INTERNAL POLICIES AND  
17 PROCEDURES AND WITH APPLICABLE STATE AND FEDERAL LAW.

18 (F) COOPERATE WITH THE OFFICE OF THE AUDITOR GENERAL AS THE  
19 AUDITOR GENERAL CARRIES OUT HIS OR HER DUTIES.

20 (G) REPORT QUARTERLY TO THE FUND BOARD AND THE STATE  
21 ADMINISTRATIVE BOARD REGARDING COMPLIANCE WITH INTERNAL POLICIES  
22 AND PROCEDURES AND WITH APPLICABLE STATE AND FEDERAL LAW.

23 (H) CONTACT PERSONS RECEIVING AWARDS, INVESTMENTS, GRANTS, AND  
24 LOANS UNDER THIS CHAPTER TO THE EXTENT NECESSARY TO CARRY OUT  
25 RESPONSIBILITIES UNDER THIS CHAPTER.

26 (I) PREPARE A WRITTEN ANNUAL REPORT THAT EVALUATES COMPLIANCE  
27 WITH INTERNAL POLICIES AND PROCEDURES AND WITH APPLICABLE STATE AND

1 FEDERAL LAW, EXPLAINS ANY COMPLIANCE MATTERS THAT AROSE DURING THE  
2 PREVIOUS YEAR, AND SUGGESTS REVISIONS TO AGENCY POLICIES AND  
3 PROCEDURES. COPIES OF THE REPORT SHALL BE PROVIDED TO THE GOVERNOR,  
4 THE CLERK OF THE HOUSE OF REPRESENTATIVES, THE SECRETARY OF THE  
5 SENATE, THE CHAIRPERSONS OF THE SENATE AND HOUSE OF REPRESENTATIVES  
6 COMMITTEES ON COMMERCE, AND THE CHAIRPERSONS OF THE SENATE AND  
7 HOUSE OF REPRESENTATIVES COMMITTEES ON APPROPRIATIONS. THE ANNUAL  
8 REPORT SHALL ALSO BE PUBLISHED ON THE FUND'S INTERNET WEBSITE.

9 (J) DO ALL OTHER THINGS NECESSARY TO CARRY OUT THE CHIEF  
10 COMPLIANCE OFFICER'S RESPONSIBILITIES UNDER THIS SECTION.

11 (7) AS USED IN THIS SECTION, "OFFICE" MEANS THE OFFICE OF THE  
12 CHIEF COMPLIANCE OFFICER.

13 SEC. 88J. (1) UPON REQUEST FROM THE FUND BOARD, THE STATE  
14 TREASURER SHALL TRANSFER APPROPRIATED FUNDS FROM THE 21ST CENTURY  
15 JOBS TRUST FUND TO THE FUND IN THE AMOUNTS DESIGNATED BY THE FUND  
16 BOARD AT THE TIME AND AS NECESSARY TO FUND DISBURSEMENTS OR  
17 RESERVES REQUIRED FOR PROGRAMS OR ACTIVITIES AUTHORIZED UNDER THIS  
18 CHAPTER OR TO FUND INVESTMENTS AUTHORIZED BY THE FUND BOARD FROM  
19 THE INVESTMENT FUND. FUNDS APPROPRIATED OR TRANSFERRED TO THE FUND  
20 SHALL NOT BE TRANSFERRED TO ANOTHER GOVERNMENTAL ENTITY OR A  
21 SEPARATE LEGAL ENTITY AND PUBLIC BODY CORPORATE ESTABLISHED UNDER  
22 THE URBAN COOPERATION ACT OF 1967, 1967 (EX SESS) PA 7, MCL 124.501  
23 TO 124.512, EXCEPT AS AUTHORIZED UNDER THIS CHAPTER.

24 (2) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2006, THERE IS  
25 APPROPRIATED AND TRANSFERRED FROM THE 21ST CENTURY JOBS TRUST FUND  
26 TO THE FUND \$400,000,000.00 FOR THE PURPOSES OF CARRYING OUT THE  
27 PURPOSES OF THIS CHAPTER.



1 (3) FROM THE FUNDS APPROPRIATED AND TRANSFERRED IN SUBSECTION  
2 (2), THE FUND SHALL MAKE THE FOLLOWING COMMITMENTS, DISPERSIBLE AS  
3 PROVIDED IN SUBSECTION (1):

4 (A) \$26,000,000.00 AS A GRANT TO THE MICHIGAN FOREST FINANCE  
5 AUTHORITY FOR PURPOSES UNDER PART 505 OF THE NATURAL RESOURCES AND  
6 ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.50501 TO  
7 324.50522. THE MONEY SHALL BE SPENT ONLY AS PROVIDED BY THE  
8 MICHIGAN FOREST FINANCE AUTHORITY.

9 (B) \$10,000,000.00, UP TO 1/2 IN LOANS, TO SUPPORT THE  
10 DEVELOPMENT AND CREATION OF A DEFENSE CONTRACT COORDINATION CENTER  
11 PROGRAM TO ASSIST MICHIGAN COMPANIES IN SECURING MORE FEDERAL  
12 DEFENSE AND HOMELAND SECURITY PROCUREMENT CONTRACTS. THIS PROGRAM  
13 SHALL INCLUDE, BUT IS NOT LIMITED TO, PROVIDING LOW-INTEREST RATE  
14 LOANS TO SUPPORT THE EXPANSION OF MANUFACTURING OPERATIONS IN ORDER  
15 TO FULFILL FEDERAL PROCUREMENT CONTRACTS. THE LOAN REPAYMENTS SHALL  
16 RETURN TO THE INVESTMENT FUND.

17 (C) \$4,000,000.00 AS FOLLOWS:

18 (i) \$3,000,000.00 FOR A PRIVATE RESEARCH INSTITUTE THAT HAS  
19 RECEIVED A SPECIFIC FEDERAL APPROPRIATION PRIOR TO 2005 FOR THE  
20 CREATION OF A GOOD MANUFACTURING FACILITY. THE FACILITY SHALL BE  
21 USED FOR THE PRODUCTION OF DRUGS APPROVED FOR USE IN CLINICAL  
22 TRIALS, AS APPROVED BY THE UNITED STATES FOOD AND DRUG  
23 ADMINISTRATION, AND SHALL WORK TO MARKET THE CORE TECHNOLOGY  
24 ALLIANCE FOR THE PURPOSES OF COMMERCIALIZATION AND PROVIDING ACCESS  
25 TO ADVANCED TECHNOLOGIES TO RESEARCHERS AFFILIATED WITH  
26 UNIVERSITIES, PRIVATE RESEARCH INSTITUTES, AND BIOTECH AND  
27 PHARMACEUTICAL FIRMS.

1           (ii) \$1,000,000.00 TO THE CORE TECHNOLOGY ALLIANCE TO IMPLEMENT  
2 AND FUND A GRANT PROGRAM FOR EARLY DRUG DISCOVERIES.

3           (D) \$6,000,000.00 FOR AN AUTOMOTIVE TECHNOLOGY BUSINESS  
4 ACCELERATOR TO PROVIDE FOR THE RESEARCH, DEVELOPMENT, AND  
5 COMMERCIALIZATION OF INNOVATIVE TECHNOLOGIES AND PRODUCTS. THE  
6 FUNDS SHALL BE USED TO SUPPORT INTERNATIONAL BUSINESS DEVELOPMENT,  
7 ENCOURAGE DEVELOPMENT OF COMPETITIVE EDGE TECHNOLOGIES THROUGH THE  
8 CREATION OF EARLY STAGE SEED FUNDS, AND SUPPORT THE OUTREACH AND  
9 GROWTH OF TECHNOLOGY BASED BUSINESSES AND PROFESSIONALS.

10          (E) \$2,000,000.00 FOR THE MICHIGAN FILM OFFICE TO PROMOTE THE  
11 FILMING OF MOTION PICTURES IN THIS STATE. NO FUNDS MAY BE USED TO  
12 PROMOTE THE FILMING OF A MOTION PICTURE THAT DEPICTS OBSCENE MATTER  
13 OR AN OBSCENE PERFORMANCE. AS USED IN THIS SUBDIVISION, "OBSCENE  
14 MATTER OR AN OBSCENE PERFORMANCE" MEANS OBSCENE MATERIAL, THE  
15 DISSEMINATION OF WHICH IS A VIOLATION OF 1984 PA 343, MCL 752.361  
16 TO 752.374. THE MICHIGAN FILM OFFICE CREATED UNDER SECTION 21 OF  
17 THE HISTORY, ARTS, AND LIBRARIES ACT, 2001 PA 63, MCL 399.721,  
18 SHALL USE THE FUNDS IN THE FOLLOWING MANNER:

19          (i) TO HIRE AN INDEPENDENT FIRM TO CONDUCT A BASELINE STUDY  
20 THAT WILL ACCURATELY DEMONSTRATE MICHIGAN'S STATUS WITHIN THE FILM  
21 INDUSTRY AND INCLUDE RECOMMENDATIONS OF NECESSARY IMPROVEMENTS FOR  
22 MICHIGAN TO ATTRACT MOTION PICTURES.

23          (ii) TO MARKET AND PROMOTE MICHIGAN AS A PREMIERE LOCATION FOR  
24 FILMING MOTION PICTURES, COMMERCIALS, AND DOCUMENTARIES. MARKETING  
25 AND PROMOTING INCLUDE, BUT ARE NOT LIMITED TO, WEBSITE DEVELOPMENT,  
26 PROMOTIONAL AND RESEARCH EXPENSES, EVENT AND FESTIVAL SPONSORSHIP,  
27 AND ADVERTISING.

1           (iii) ASSIST IN WORKFORCE DEVELOPMENT WITHIN THE FILM INDUSTRY  
2 BY SUPPORTING ON-THE-JOB TRAINING OF QUALIFIED CREW MEMBERS. JOB  
3 TRAINING OF FILM AND MEDIA TECHNICIANS INCLUDES, BUT IS NOT LIMITED  
4 TO, TECHNICAL TRAINING, PRACTICAL TRAINING, AND INTERNSHIP  
5 OPPORTUNITIES.

6           (F) \$2,000,000.00 TO IMPLEMENT THE TRANSFER OF COMPETITIVE  
7 EDGE TECHNOLOGY RESEARCH FROM INSTITUTIONS OF HIGHER EDUCATION TO  
8 THE PRIVATE SECTOR AS PROVIDED IN THIS CHAPTER.

9           (G) \$15,000,000.00 FOR A MICHIGAN PROMOTION PROGRAM TO ENHANCE  
10 FUNDING BEYOND THAT INCLUDED IN THE ANNUAL APPROPRIATION FOR TRAVEL  
11 MICHIGAN TO ATTRACT ADDITIONAL TOURISM EXPENDITURES IN THIS STATE.  
12 NO FUNDS MAY BE USED FOR ANY TOURISM MARKETING EFFORT THAT INCLUDES  
13 THE IMAGE OF AN ELECTED STATE OFFICER OR A CANDIDATE FOR ELECTIVE  
14 STATE OFFICE THAT IS TARGETED TO A MEDIA MARKET IN MICHIGAN.

15           (H) \$10,000,000.00 TO THE AGRICULTURAL DEVELOPMENT FUND  
16 CREATED IN SECTION 2 OF THE JULIAN-STILLE VALUE-ADDED ACT, 2000 PA  
17 322, MCL 285.302, FOR GRANTS AND LOANS. NOT LESS THAN \$5,000,000.00  
18 SHALL BE AWARDED AS SPECIALTY CROP GRANTS AND LOANS. THE MONEY  
19 SHALL NOT BE SPENT UNTIL AFTER APRIL 1, 2006. AS USED IN THIS  
20 SUBDIVISION, "SPECIALTY CROP" MEANS ANY AGRICULTURAL CROP, EXCEPT  
21 WHEAT, FEED GRAINS, OILSEEDS, COTTON, RICE, PEANUTS, AND TOBACCO.

22           (I) \$3,500,000.00 TO IMPLEMENT THE CAPITAL ACCESS PROGRAM.

23           (J) \$90,000,000.00 FOR LIFE SCIENCES TECHNOLOGY AS PROVIDED IN  
24 THIS CHAPTER.

25           (4) \$16,000,000.00 OF THE APPROPRIATION MADE IN SUBSECTION (2)  
26 MAY BE EXPENDED FOR ADMINISTRATIVE COSTS RELATED TO THE  
27 ADMINISTRATION OF PROGRAMS OR ACTIVITIES AUTHORIZED UNDER THIS

1 CHAPTER. HOWEVER, THE FUND AND THE FUND BOARD SHALL NOT EXPEND MORE  
2 THAN \$12,000,000.00 FOR ADMINISTRATION OF PROGRAMS OR ACTIVITIES  
3 AUTHORIZED UNDER THIS CHAPTER UNLESS THE FUND BOARD BY A 2/3 VOTE  
4 AUTHORIZES THE ADDITIONAL \$4,000,000.00 FOR ADMINISTRATION.

5 (5) \$20,000,000.00 OF THE APPROPRIATION MADE IN SUBSECTION (2)  
6 MAY BE EXPENDED FOR BUSINESS DEVELOPMENT AND BUSINESS MARKETING  
7 COSTS. NOT LESS THAN 80% OF THE FUNDS COMMITTED FOR BUSINESS  
8 DEVELOPMENT AND BUSINESS MARKETING COSTS SHALL BE TARGETED TO  
9 PERSONS OR ENTITIES OUTSIDE OF THIS STATE. NO FUNDS SHALL BE USED  
10 FOR ANY BUSINESS DEVELOPMENT AND BUSINESS MARKETING EFFORT THAT  
11 INCLUDES A REFERENCE TO OR THE IMAGE OR VOICE OF AN ELECTED STATE  
12 OFFICER OR A CANDIDATE FOR ELECTIVE STATE OFFICE AND THAT IS  
13 TARGETED TO A MEDIA MARKET IN THIS STATE. THE FUND BOARD SHALL  
14 SELECT ALL VENDORS FOR ALL MARKETING EXPENDITURES UNDER THIS  
15 CHAPTER BY ISSUING A REQUEST FOR PROPOSAL. AT A MINIMUM, THE  
16 REQUEST FOR PROPOSAL SHALL REQUIRE THE RESPONDING ENTITIES TO  
17 DISCLOSE ANY CONFLICT OF INTEREST, DISCLOSE ANY CRIMINAL  
18 CONVICTIONS, DISCLOSE ANY INVESTIGATIONS BY THE INTERNAL REVENUE  
19 SERVICE OR ANY OTHER FEDERAL OR STATE TAXING BODY OR COURT,  
20 DISCLOSE ANY PERTINENT LITIGATION REGARDING THE CONDUCT OF THE  
21 ENTITY, AND MAINTAIN RECORDS AND EVIDENCE PERTAINING TO WORK  
22 PERFORMED. THE FUND BOARD SHALL ESTABLISH A STANDARD PROCESS TO  
23 EVALUATE PROPOSALS SUBMITTED AS A RESULT OF A REQUEST FOR PROPOSAL  
24 AND APPOINT A COMMITTEE TO REVIEW THE PROPOSALS.

25 (6) FOLLOWING THE DISBURSEMENTS DESCRIBED IN SUBSECTIONS (3),  
26 (4), AND (5), THE REMAINING MONEY SHALL BE ALLOCATED PURSUANT TO  
27 SECTION 88B(1).

1           (7) THE APPROPRIATION AUTHORIZED IN SUBSECTION (2) IS A WORK  
2 PROJECT APPROPRIATION AND ANY UNENCUMBERED OR UNALLOTTED FUNDS ARE  
3 CARRIED FORWARD INTO THE FOLLOWING FISCAL YEAR. THE FOLLOWING IS IN  
4 COMPLIANCE WITH SECTION 451A(1) OF THE MANAGEMENT AND BUDGET ACT,  
5 1984 PA 431, MCL 18.1451A:

6           (A) THE PURPOSE OF THE PROJECT IS TO PROVIDE SUBSTANTIAL  
7 ECONOMIC BENEFITS AND JOB CREATION WITHIN THIS STATE AND TO CREATE  
8 INCENTIVES FOR THE DIVERSIFICATION OF THE ECONOMY OF THIS STATE  
9 THROUGH 21ST CENTURY INVESTMENTS, GRANTS AND LOANS APPROVED BY THE  
10 COMMERCIALIZATION BOARD UNDER SECTION 88K, AND OTHER PROGRAMS OR  
11 ACTIVITIES AUTHORIZED UNDER THIS CHAPTER.

12           (B) THE WORK PROJECT WILL BE ACCOMPLISHED THROUGH THE USE OF  
13 INTERAGENCY AGREEMENTS, GRANTS, LOANS, INVESTMENTS, STATE  
14 EMPLOYEES, AND CONTRACTS.

15           (C) THE TOTAL ESTIMATED COMPLETION COST OF THE WORK PROJECT IS  
16 \$400,000,000.00.

17           SEC. 94. (1) THE GOVERNOR SHALL INQUIRE INTO THE  
18 ADMINISTRATION OF THIS ACT.

19           (2) THE GOVERNOR MAY REMOVE OR SUSPEND ANY APPOINTIVE PUBLIC  
20 OFFICER FOR VIOLATIONS OF THIS ACT. THE GOVERNOR MAY REQUEST THE  
21 MEDC TO REMOVE OR SUSPEND ANY MEDC CORPORATE EMPLOYEE FOR  
22 VIOLATIONS OF THIS ACT.

23           (3) THE GOVERNOR MAY REMOVE OR SUSPEND ANY ELECTIVE PUBLIC  
24 OFFICER FOR VIOLATION OF THIS ACT THAT CONSTITUTES GROSS NEGLECT OF  
25 DUTY, CORRUPT CONDUCT IN OFFICE, MISFEASANCE, OR MALFEASANCE.

26           (4) THIS SECTION DOES NOT APPLY TO ANY PUBLIC OFFICER OF THE  
27 LEGISLATIVE BRANCH OR THE JUDICIAL BRANCH OF STATE GOVERNMENT.

1           (5) THE GOVERNOR SHALL REPORT THE REASONS FOR ANY REMOVAL OR  
2       SUSPENSION UNDER THIS SECTION TO THE CLERK OF THE HOUSE OF  
3       REPRESENTATIVES AND THE SECRETARY OF THE SENATE.

4           Enacting section 1. This amendatory act does not take effect  
5       unless all of the following bills of the 93rd Legislature are  
6       enacted into law:

7           (a) Senate Bill No. 298.

8           (b) Senate Bill No. 359.

9           (c) Senate Bill No. 521.

10          (d) Senate Bill No. 533.

11          (e) Senate Bill No. 633.

12          (f) House Bill No. 4342.

13          (g) House Bill No. 4972.

14          (h) House Bill No. 4973.

15          (i) House Bill No. 5048.

16          (j) House Bill No. 5108.

17          (k) House Bill No. 5109.