

SENATE SUBSTITUTE FOR HOUSE SUBSTITUTE FOR
SENATE BILL NO. 359

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
(MCL 125.2001 to 125.2093) by adding section 88p.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 88P. (1) THE FUND SHALL ESTABLISH A MICHIGAN LIFE
2 SCIENCES PIPELINE TO PROMOTE THE DEVELOPMENT OF BUSINESSES IN THIS
3 STATE ENGAGED IN PROVIDING GOODS AND SERVICES RELATED TO THE
4 DEVELOPMENT AND COMMERCIALIZATION OF LIFE SCIENCES. THE PIPELINE
5 SHALL BEGIN OPERATIONS NOT LATER THAN JUNE 1, 2006. THE PIPELINE
6 SHALL DO ALL OF THE FOLLOWING:

7 (A) RECRUIT MICHIGAN-BASED BUSINESSES INVOLVED IN LIFE
8 SCIENCES RESEARCH AND COMMERCIALIZATION AND RELATED GOODS AND
9 SERVICES TO AFFILIATE THEMSELVES WITH THE PIPELINE AS MEMBERS.

10 (B) MARKET THE SERVICES OF THE PIPELINE, ITS MEMBERS, AND LIFE

1 SCIENCES RESEARCH AND COMMERCIALIZATION IN MICHIGAN TO DEVELOP AND
2 INCREASE THE AMOUNT OF BUSINESS ACTIVITY FOR MEMBERS OF THE
3 PIPELINE.

4 (C) OTHERWISE ASSIST MEMBERS OF THE PIPELINE IN DEVELOPING
5 LIFE SCIENCES RESEARCH AND COMMERCIALIZATION ACTIVITIES IN THIS
6 STATE.

7 (D) MAINTAIN AND MAKE AVAILABLE A LIST OF MEMBERS OF THE
8 PIPELINE AND SERVICES PROVIDED BY MEMBERS OF THE PIPELINE.

9 (E) AT THE DISCRETION OF THE PIPELINE, CHARGE MEMBERS OF THE
10 PIPELINE A REASONABLE FEE BASED ON THE SERVICES PROVIDED BY THE
11 PIPELINE.

12 (2) THE FUND SHALL ENCOURAGE A RECIPIENT OF EXPENDITURES UNDER
13 THIS CHAPTER ENGAGED IN THE DEVELOPMENT OR COMMERCIALIZATION OF
14 LIFE SCIENCES IN THIS STATE TO UTILIZE GOODS OR SERVICES PROVIDED
15 BY A MEMBER OR MEMBERS OF THE PIPELINE.

16 (3) WHEN MAKING AWARDS UNDER THE COMMERCIALIZATION, RESEARCH,
17 AND DEVELOPMENT PROGRAM ESTABLISHED BY THE COMMERCIALIZATION BOARD
18 UNDER SECTION 88K TO RECIPIENTS ENGAGED IN THE DEVELOPMENT OR
19 COMMERCIALIZATION OF LIFE SCIENCES IN THIS STATE, THE
20 COMMERCIALIZATION BOARD SHALL PROVIDE ADDITIONAL WEIGHTING TO AN
21 APPLICANT THAT DEMONSTRATES A COMMITMENT TO UTILIZE OR COLLABORATE
22 WITH A MEMBER OR MEMBERS OF THE PIPELINE WHEN PROCURING GOODS OR
23 SERVICES, IF THE GOODS OR SERVICES ARE REASONABLY AVAILABLE FROM A
24 MEMBER OR MEMBERS OF THE PIPELINE.

25 (4) THE FUND SHALL SELECT A PERSON OR ENTITY TO OPERATE THE
26 PIPELINE BY ISSUING A REQUEST FOR PROPOSALS. THE PERSON OR ENTITY
27 SELECTED TO OPERATE THE PIPELINE SHALL DEMONSTRATE TO THE FUND THE

1 PROVEN ABILITY TO DO ALL THE FOLLOWING:

2 (A) COORDINATE COMMERCIALIZATION OF LIFE SCIENCES RESEARCH
3 INITIATIVES.

4 (B) ASSIST LIFE SCIENCES START-UP COMPANIES.

5 (C) MARKET LIFE SCIENCES RELATED ACTIVITIES AND CAPABILITIES.

6 (D) COORDINATE OR OPERATE PROGRAMS THAT HAVE A HISTORY OF
7 ONGOING INDEPENDENT PEER REVIEW.

8 (E) HAVE REGULATORY EXPERIENCE NECESSARY FOR COMMERCIAL
9 APPROVAL OF PHARMACEUTICAL AND MEDICAL DEVICES.

10 (F) DEVELOP AND IMPLEMENT A PLAN FOR OPERATING THE PIPELINE.

11 (5) THE FUND SHALL ENTER INTO A CONTRACT WITH A DURATION OF
12 NOT LESS THAN 4 YEARS WITH THE PERSON OR ENTITY SELECTED TO OPERATE
13 THE PIPELINE.

14 (6) NOT LATER THAN 5 YEARS AFTER THE EFFECTIVE DATE OF THE
15 AMENDATORY ACT THAT ADDED THIS SECTION, THE PERSON OR ENTITY
16 SELECTED TO OPERATE THE PIPELINE SHALL REPORT TO THE GOVERNOR, THE
17 CLERK OF THE HOUSE OF REPRESENTATIVES, THE SECRETARY OF THE SENATE,
18 AND THE CHAIRPERSONS OF THE HOUSE OF REPRESENTATIVES AND SENATE
19 STANDING COMMITTEES ON APPROPRIATIONS ON THE EFFECTIVENESS OF THE
20 PIPELINE IN DEVELOPING LIFE SCIENCES RESEARCH AND COMMERCIALIZATION
21 ACTIVITIES IN THIS STATE.

22 (7) AS USED IN THIS SECTION, "PIPELINE" MEANS THE MICHIGAN
23 LIFE SCIENCES PIPELINE ESTABLISHED IN THIS SECTION.

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

27 (a) Senate Bill No. 533.

- 1 (b) House Bill No. 5047.
- 2 (c) House Bill No. 5048.
- 3 (d) House Bill No. 5109.