

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 chapter 7A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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CHAPTER 7A

SEC. 78. (1) THE FUND SHALL ESTABLISH A MICHIGAN LIFE SCIENCE  
PIPELINE TO PROMOTE THE DEVELOPMENT OF BUSINESSES IN THIS STATE  
ENGAGED IN PROVIDING GOODS AND SERVICES RELATED TO THE DEVELOPMENT  
AND COMMERCIALIZATION OF LIFE SCIENCES. THE PIPELINE SHALL BEGIN  
OPERATIONS NOT LATER THAN JUNE 1, 2006. THE MICHIGAN LIFE SCIENCE  
PIPELINE SHALL DO ALL OF THE FOLLOWING:

(A) RECRUIT MICHIGAN-BASED COMPANIES INVOLVED IN LIFE SCIENCE

1 RESEARCH AND COMMERCIALIZATION AND RELATED GOODS AND SERVICES TO  
2 AFFILIATE THEMSELVES WITH THE PIPELINE AS MEMBERS.

3 (B) MARKET THE SERVICES OF THE PIPELINE, ITS MEMBERS, AND LIFE  
4 SCIENCE RESEARCH AND COMMERCIALIZATION IN MICHIGAN TO DEVELOP AND  
5 INCREASE THE AMOUNT OF BUSINESS ACTIVITY FOR MEMBERS OF THE  
6 PIPELINE.

7 (C) OTHERWISE ASSIST MEMBERS OF THE PIPELINE IN DEVELOPING  
8 LIFE SCIENCE RESEARCH AND COMMERCIALIZATION ACTIVITIES IN THIS  
9 STATE.

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

12 (E) AT THE DISCRETION OF THE PIPELINE, CHARGE MEMBERS OF THE  
13 PIPELINE A REASONABLE FEE BASED ON THE SERVICES PROVIDED BY THE  
14 PIPELINE.

15 (F) ENCOURAGE A RECIPIENT OF EXPENDITURES UNDER CHAPTER 8A  
16 ENGAGED IN THE DEVELOPMENT OR COMMERCIALIZATION OF LIFE SCIENCES IN  
17 THIS STATE TO UTILIZE GOODS OR SERVICES PROVIDED BY A MEMBER OR  
18 MEMBERS OF THE PIPELINE.

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

27 (3) THE FUND SHALL SELECT A PERSON OR ENTITY TO OPERATE THE

1 PIPELINE BY ISSUING A REQUEST FOR PROPOSALS. THE PERSON OR ENTITY  
2 CHOSEN TO OPERATE THE PIPELINE SHALL DO ALL THE FOLLOWING:

3 (A) DEMONSTRATE AN ABILITY TO COORDINATE COMMERCIALIZATION OF  
4 LIFE SCIENCE RESEARCH INITIATIVES.

5 (B) HAVE A PROVEN ABILITY TO ASSIST LIFE SCIENCE START-UP  
6 COMPANIES.

7 (C) DEMONSTRATE MARKETING ABILITY.

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

10 (E) SUBMIT A PLAN FOR OPERATING THE PIPELINE.

11 (4) NOT LATER THAN 5 YEARS AFTER THE EFFECTIVE DATE OF THE  
12 AMENDATORY ACT THAT ADDED THIS CHAPTER, THE PERSON OR ENTITY CHOSEN  
13 TO OPERATE THE PIPELINE SHALL REPORT TO THE CHAIRPERSONS OF THE  
14 SENATE AND HOUSE OF REPRESENTATIVES STANDING COMMITTEES ON COMMERCE  
15 ON THE EFFECTIVENESS OF THE PIPELINE IN DEVELOPING LIFE SCIENCE  
16 RESEARCH AND COMMERCIALIZATION ACTIVITIES IN THIS STATE.

17 (5) AS USED IN THIS SECTION, "PIPELINE" MEANS THE MICHIGAN  
18 LIFE SCIENCE PIPELINE ESTABLISHED IN THIS SECTION.

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

22 (a) Senate Bill No. 533.

23 (b) House Bill No. 4972.

24 (c) House Bill No. 4973.

25 (d) House Bill No. 5047.

26 (e) House Bill No. 5048.

27 (f) House Bill No. 5108.

1 (g) House Bill No. 5109.