

# HOUSE BILL No. 5047

July 6, 2005, Introduced by Rep. Huizenga and referred to the Committee on Commerce.

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending the title and sections 3, 4, and 13 (MCL 125.2003,  
125.2004, and 125.2013), sections 4 and 13 as amended by 1987 PA  
278, and by adding sections 94 and 95 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~~ **JOBS FOR MICHIGAN 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 authority to the ~~Michigan strategic fund~~  
**JOBS FOR MICHIGAN FUND**; to provide for the expenditure of proceeds

1 in certain funds to which the ~~Michigan strategic fund~~ **JOBS FOR**  
 2 **MICHIGAN FUND** succeeds in ownership; to provide for the issuance  
 3 of, and terms and conditions for, **CERTAIN** notes and bonds; ~~of the~~  
 4 ~~Michigan strategic fund~~; **TO CREATE THE STRATEGIC ECONOMIC**  
 5 **INVESTMENT BOARD AND THE JOBS FOR MICHIGAN INVESTMENT FUND**; to  
 6 exempt the property, income, and operation of the fund and its  
 7 bonds and notes, and the interest thereon, from certain taxes; to  
 8 provide for the creation of certain centers within and for the  
 9 purposes of the ~~Michigan strategic fund~~ **JOBS FOR MICHIGAN 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 provide penalties; and to repeal ~~certain~~ acts and parts of acts.

14 Sec. 3. This act shall be known and may be cited as the  
 15 ~~"Michigan strategic fund act"~~ **"JOBS FOR MICHIGAN FUND ACT"**.

16 Sec. 4. As used in this act:

17 (a) "Board" means the board of directors of the ~~Michigan~~  
 18 ~~strategic fund~~ **JOBS FOR MICHIGAN FUND**, except **AS USED IN CHAPTER**  
 19 **8A OR** where the context clearly requires a 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) "Fund" means the ~~Michigan strategic fund~~ **JOBS FOR**  
9 **MICHIGAN FUND** created under section 5, except where the context  
10 clearly requires a different definition.

11 (d) "Municipality" means a county, city, village, township,  
12 port district, development organization, institution of higher  
13 education, community or junior college, or subdivision or  
14 instrumentality of any of the legal entities listed in this  
15 subdivision.

16 (e) "Person" means an individual, sole proprietorship,  
17 partnership, **LIMITED LIABILITY COMPANY**, joint venture, profit or  
18 nonprofit corporation including a public or private college or  
19 university, public utility, local industrial development  
20 corporation, economic development corporation, or other association  
21 of persons organized for agricultural, commercial, or industrial  
22 purposes.

23 (f) "Project" means an economic development project and, in  
24 addition, means the acquisition, construction, reconstruction,  
25 conversion, or leasing of an industrial, commercial, retail,  
26 agricultural, or forestry enterprise, or any part ~~thereof~~ **OF**  
27 **THESE**, to carry out the purposes and objectives of this act and of

1 the fund, including, but not limited to, acquisition of land or  
2 interest in land, buildings, structures, or other planned or  
3 existing planned improvements to land including leasehold  
4 improvements, machinery, equipment, or furnishings which include,  
5 but are not limited to, the following: research parks; office  
6 facilities; engineering facilities; research and development  
7 laboratories; warehousing facilities; parts distribution  
8 facilities; depots or storage facilities; port facilities; railroad  
9 facilities, including trackage, right of way, and appurtenances;  
10 airports; water and air pollution control equipment or waste  
11 disposal facilities; theme or recreational parks; equipment or  
12 facilities designed to produce energy from renewable resources;  
13 farms, ranches, forests, and other agricultural or forestry  
14 commodity producers; agricultural harvesting, storage,  
15 transportation, or processing facilities or equipment; grain  
16 elevators; shipping heads and livestock pens; livestock;  
17 warehouses; wharves and dock facilities; water, electricity, hydro  
18 electric, coal, petroleum, or natural gas provision facilities;  
19 dams and irrigation facilities; sewage, liquid, and solid waste  
20 collection, disposal treatment, and drainage services and  
21 facilities. **PROJECT DOES NOT INCLUDE A PROGRAM OR ACTIVITY**  
22 **AUTHORIZED UNDER CHAPTER 8A.**

23 (g) "Private sector" means other than the fund, a state or  
24 federal source, or an agency ~~thereof~~ **OF A STATE OR THE FEDERAL**  
25 **GOVERNMENT.**

26 Sec. 13. The total debt owed to the fund, excluding rights and  
27 royalties under a venture capital agreement or obligations to the

1 fund resulting from an industrial development revenue bond or note,  
2 in relation to any 1 project shall at no time exceed 5% of the  
3 total assets of the fund, except that upon approval by a 2/3 vote  
4 of the board this amount may be increased to not to exceed 10% of  
5 the assets of the fund. THIS SECTION DOES NOT APPLY TO A PROGRAM OR  
6 ACTIVITY AUTHORIZED UNDER CHAPTER 8A.

7 CHAPTER 8A

8 SEC. 88. (1) THE LEGISLATURE FINDS AND DECLARES THAT THE  
9 ACTIVITIES AUTHORIZED UNDER THIS CHAPTER TO ENCOURAGE ECONOMIC  
10 DIVERSITY BY THE DEVELOPMENT OF COMPETITIVE EDGE TECHNOLOGY WITH  
11 HIGH PROBABILITY TO CREATE JOBS IN THIS STATE ARE A PUBLIC PURPOSE  
12 AND OF PARAMOUNT CONCERN IN THE INTEREST OF THE HEALTH, SAFETY, AND  
13 GENERAL WELFARE OF THE CITIZENS OF THIS STATE. IT IS THE INTENT OF  
14 THE LEGISLATURE THAT THE ECONOMIC BENEFITS OF THE DEVELOPMENT OF  
15 COMPETITIVE EDGE TECHNOLOGY AND THE CREATION OF JOBS RESULTING FROM  
16 THE ACTIVITIES AUTHORIZED UNDER THIS CHAPTER SHALL ACCRUE WITHIN  
17 THIS STATE.

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

22 SEC. 88A. AS USED IN THIS CHAPTER:

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

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

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

4           (iii) MICROELECTROMECHANICAL SYSTEMS, INCLUDING DEVICES OR  
5 SYSTEMS INTEGRATING MICROELECTRONICS WITH MECHANICAL PARTS AND A  
6 SCALE MEASURED IN MICROMETERS.

7           (iv) IMPROVEMENTS TO VEHICLE SAFETY, VEHICLE PERFORMANCE,  
8 VEHICLE PRODUCTION, OR ENVIRONMENTAL IMPACT, INCLUDING, BUT NOT  
9 LIMITED TO, VEHICLE EQUIPMENT AND COMPONENT PARTS.

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

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

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

18          (viii) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO TECHNOLOGY  
19 DESCRIBED UNDER THIS SUBDIVISION.

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

22           (i) COMPUTER HARDWARE AND SOFTWARE.

23           (ii) DATA COMMUNICATIONS.

24           (iii) INFORMATION TECHNOLOGIES.

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

1           (i) ALTERNATIVE ENERGY TECHNOLOGY AS THAT TERM IS DEFINED IN  
2 SECTION 2 OF THE MICHIGAN NEXT ENERGY AUTHORITY ACT, 2002 PA 593,  
3 MCL 207.822.

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

10          (iii) ADVANCED COMPUTING OR ELECTRONIC DEVICE TECHNOLOGY RELATED  
11 TO TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

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

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

16          (D) "APPLIED RESEARCH" MEANS TRANSLATIONAL RESEARCH CONDUCTED  
17 WITH THE OBJECTIVE OF ATTAINING A SPECIFIC BENEFIT OR TO SOLVE A  
18 PRACTICAL PROBLEM, OR OTHER RESEARCH ACTIVITY THAT SEEKS TO  
19 UTILIZE, SYNTHESIZE, OR APPLY EXISTING KNOWLEDGE, INFORMATION, OR  
20 RESOURCES TO THE RESOLUTION OF A SPECIFIED PROBLEM, QUESTION, OR  
21 ISSUE, WITH HIGH PROBABILITY OF COMMERCIAL APPLICATION TO CREATE  
22 JOBS IN THIS STATE.

23          (E) "BASIC RESEARCH" MEANS ANY ORIGINAL INVESTIGATION FOR THE  
24 ADVANCEMENT OF SCIENTIFIC OR TECHNOLOGICAL KNOWLEDGE THAT WILL  
25 ENHANCE THE RESEARCH CAPACITY OF THIS STATE IN A WAY THAT INCREASES  
26 THE ABILITY TO ATTRACT TO OR DEVELOP COMPANIES, JOBS, RESEARCHERS,  
27 OR STUDENTS IN THIS STATE.

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

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

(i) LIFE SCIENCES TECHNOLOGY.

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

(iii) HOMELAND SECURITY AND DEFENSE TECHNOLOGY.

(iv) ALTERNATIVE ENERGY TECHNOLOGY.

(v) MEDICAL INFOMATICS.

(vi) BIOTERIALS.

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

(I) "HOMELAND SECURITY AND DEFENSE TECHNOLOGY" MEANS TECHNOLOGY THAT ASSISTS IN THE ASSESSMENT OF THREATS OR DAMAGE TO THE GENERAL POPULATION AND CRITICAL INFRASTRUCTURE, PROTECTION OF, DEFENSE AGAINST, OR MITIGATION OF THE EFFECTS OF FOREIGN OR DOMESTIC THREATS, DISASTERS, OR ATTACKS, OR SUPPORT FOR CRISIS OR RESPONSE MANAGEMENT, INCLUDING, BUT NOT LIMITED TO, 1 OR MORE OF THE FOLLOWING:

(i) SENSORS, SYSTEMS, PROCESSES, OR EQUIPMENT FOR



1 COMMUNICATIONS, IDENTIFICATION AND AUTHENTICATION, SCREENING,  
2 SURVEILLANCE, TRACKING, AND DATA ANALYSIS.

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

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

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

10 (v) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO TECHNOLOGY  
11 DESCRIBED UNDER THIS SUBDIVISION.

12 (J) "INDEPENDENT PEER REVIEW EXPERT" MEANS A PERSON OR PERSONS  
13 APPROVED BY THE BOARD WITH APPROPRIATE EXPERTISE TO CONDUCT AN  
14 INDEPENDENT, UNBIASED, OBJECTIVE, AND COMPETITIVE EVALUATION OF  
15 ACTIVITIES FUNDED UNDER THIS CHAPTER. THE PERSON OR PERSONS SHALL  
16 DEMONSTRATE THE CAPABILITY AND EXPERIENCE, AS APPROPRIATE OR  
17 NECESSARY FOR THE PARTICULAR ACTIVITY FUNDED, TO DO ALL OF THE  
18 FOLLOWING:

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

21 (ii) EMPLOY PERSONNEL WITH APPROPRIATE BUSINESS, SCIENTIFIC,  
22 TECHNICAL, COMMERCIAL, OR OTHER SPECIALIZED EXPERTISE TO CARRY OUT  
23 EACH ASPECT OF THE EVALUATION PROCESS.

24 (iii) PROVIDE RECOMMENDATIONS TO OR ASSIST THE BOARD IN  
25 IDENTIFYING HIGH-QUALITY ACTIVITIES FOR FUNDING THAT ARE LIKELY TO  
26 RESULT IN THE DEVELOPMENT AND COMMERCIALIZATION OF COMPETITIVE EDGE  
27 TECHNOLOGY AND JOB CREATION IN THIS STATE. THE RECOMMENDATIONS

1 SHALL INCLUDE ALL MATERIALS USED BY THE INDEPENDENT PEER REVIEW  
2 EXPERT IN MAKING THE RECOMMENDATION.

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

5 (K) "INSTITUTION OF HIGHER EDUCATION" MEANS AN INSTITUTION OF  
6 HIGHER EDUCATION OR A COMMUNITY OR JUNIOR COLLEGE DESCRIBED IN  
7 SECTION 4, 5, 6, OR 7 OF ARTICLE VIII OF THE STATE CONSTITUTION OF  
8 1963.

9 (l) "JOBS FOR MICHIGAN INVESTMENT FUND" OR "INVESTMENT FUND"  
10 MEANS THE JOBS FOR MICHIGAN INVESTMENT FUND CREATED UNDER SECTION  
11 88B.

12 (M) "LIFE SCIENCES" MEANS SCIENCE FOR THE EXAMINATION OR  
13 UNDERSTANDING OF LIFE OR LIFE PROCESSES, INCLUDING, BUT NOT LIMITED  
14 TO, ALL OF THE FOLLOWING:

15 (i) BIOENGINEERING.

16 (ii) BIOMEDICAL ENGINEERING.

17 (iii) GENOMICS.

18 (iv) PROTEOMICS.

19 (v) MOLECULAR AND CHEMICAL ECOLOGY.

20 (vi) BIOTECHNOLOGY, INCLUDING ANY TECHNOLOGY THAT USES LIVING  
21 ORGANISMS, CELLS, MACROMOLECULES, MICROORGANISMS, OR SUBSTANCES  
22 FROM LIVING ORGANISMS TO MAKE OR MODIFY A PRODUCT FOR USEFUL  
23 PURPOSES. BIOTECHNOLOGY OR LIFE SCIENCES DOES NOT INCLUDE ANY OF  
24 THE FOLLOWING:

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

27 (B) ACTIVITIES PROHIBITED UNDER SECTION 2688 OF THE PUBLIC

1 HEALTH CODE, 1978 PA 368, MCL 333.2688.

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

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

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

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

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

19 (ii) DESIGN, ENGINEERING, TESTING, OR DIAGNOSTICS RELATED TO  
20 TECHNOLOGY DESCRIBED UNDER THIS SUBDIVISION.

21 (iii) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO TECHNOLOGY  
22 DESCRIBED UNDER THIS SUBDIVISION.

23 (O) "MICHIGAN ECONOMIC DEVELOPMENT CORPORATION" OR "MEDC"  
24 MEANS THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION, THE PUBLIC  
25 BODY CORPORATE CREATED UNDER SECTION 28 OF ARTICLE VII OF THE STATE  
26 CONSTITUTION OF 1963 AND THE URBAN COOPERATION ACT OF 1967, 1967  
27 (EX SESS) PA 7, MCL 124.501 TO 124.512, BY A CONTRACTUAL INTERLOCAL

1 AGREEMENT EFFECTIVE APRIL 5, 1999, AND SUBSEQUENTLY AMENDED,  
2 BETWEEN LOCAL PARTICIPATING ECONOMIC DEVELOPMENT CORPORATIONS  
3 FORMED UNDER THE ECONOMIC DEVELOPMENT CORPORATIONS ACT, 1974 PA  
4 338, MCL 125.1601 TO 125.1636, AND THE FUND.

5 (P) "QUALIFIED BUSINESS" MEANS A MICHIGAN BUSINESS ENTITY THAT  
6 RESEARCHES, DEVELOPS, MARKETS, OR COMMERCIALIZES COMPETITIVE EDGE  
7 TECHNOLOGY PRODUCTS OR SERVICES.

8 (Q) "STRATEGIC ECONOMIC INVESTMENT BOARD" OR "BOARD" MEANS THE  
9 STRATEGIC ECONOMIC INVESTMENT BOARD CREATED IN SECTION 88D.

10 (R) "UNIVERSITY TECHNOLOGY TRANSFER" MEANS INNOVATIVE METHODS  
11 TO ACCELERATE THE CREATION OF START-UP COMPANIES AFFILIATED WITH  
12 INSTITUTIONS OF HIGHER EDUCATION OR THE TRANSFER OF COMPETITIVE  
13 EDGE TECHNOLOGY RESEARCH FROM AN INSTITUTION OF HIGHER EDUCATION TO  
14 A QUALIFIED BUSINESS IN MICHIGAN.

15 SEC. 88B. (1) THE JOBS FOR MICHIGAN INVESTMENT FUND IS CREATED  
16 IN THE STATE TREASURY.

17 (2) THE INVESTMENT FUND SHALL CONSIST OF ALL OF THE FOLLOWING:

18 (A) ANY FUNDS DEPOSITED IN THE INVESTMENT FUND AND ANY ACCRUED  
19 INTEREST ON THOSE FUNDS.

20 (B) ROYALTIES, RETURN ON INVESTMENTS, RETURN OF PRINCIPAL,  
21 PAYMENTS MADE, OR OTHER MONEY RECEIVED BY OR PAYABLE TO THE BOARD  
22 OR THE MEDC UNDER AGREEMENTS RELATED TO GRANTS OR LOANS BY THE FUND  
23 UNDER THIS CHAPTER.

24 (C) ROYALTIES, RETURN ON INVESTMENTS, RETURN OF PRINCIPAL,  
25 PAYMENTS MADE, OR OTHER MONEY RECEIVED BY OR PAYABLE TO THE FUND OR  
26 THE MEDC UNDER AGREEMENTS RELATED TO GRANTS, LOANS, OR OTHER  
27 PAYMENTS FUNDED BY APPROPRIATIONS FROM THE STATE GENERAL FUND OR

1 TOBACCO SETTLEMENT REVENUE UNDER 1 OR MORE OF THE FOLLOWING:

2 (i) SECTION 418 OF 1999 PA 120, 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 (ii) SECTION 410 OF 2000 PA 292, 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 (iii) SECTION 410 OF 2001 PA 80, COMMONLY KNOWN AS THE HEALTH  
9 AND AGING RESEARCH AND DEVELOPMENT INITIATIVE OR THE MICHIGAN LIFE  
10 SCIENCES CORRIDOR INITIATIVE, OR ANY SUCCESSOR PROGRAM.

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

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

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

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

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

24 (ix) THE 21ST CENTURY JOBS FUND AUTHORITY.

25 (3) THE DEPARTMENT OF TREASURY MAY ESTABLISH RESTRICTED  
26 SUBACCOUNTS WITHIN THE INVESTMENT FUND AS NECESSARY TO ADMINISTER  
27 THE INVESTMENT FUND.

1           (4) MONEY IN THE INVESTMENT FUND SHALL BE DISBURSED ONLY FOR  
2 THE PURPOSES AUTHORIZED.

3           SEC. 88C. (1) THE STATE TREASURER SHALL DIRECT THE INVESTMENT  
4 OF THE INVESTMENT FUND.

5           (2) ANY REMAINING BALANCE IN THE INVESTMENT FUND OR A  
6 SUBACCOUNT OF THE INVESTMENT FUND AT THE CLOSE OF A FISCAL YEAR  
7 SHALL REMAIN IN THE INVESTMENT FUND AND SHALL NOT LAPSE OR REVERT  
8 TO THE GENERAL FUND.

9           SEC. 88D. (1) THE STRATEGIC ECONOMIC INVESTMENT BOARD IS  
10 CREATED WITHIN THE FUND. THE BOARD SHALL EXERCISE ITS POWERS,  
11 DUTIES, AND DECISION-MAKING AUTHORITY AS AN AUTONOMOUS ENTITY  
12 INDEPENDENT OF THE FUND AND THE DEPARTMENT OF LABOR AND ECONOMIC  
13 GROWTH.

14           (2) MONEY IN THE INVESTMENT FUND THAT IS AVAILABLE FOR  
15 EXPENDITURE SHALL BE EXPENDED ANNUALLY BY THE FUND AS DETERMINED BY  
16 THE BOARD ONLY FOR BASIC RESEARCH, APPLIED RESEARCH, UNIVERSITY  
17 TECHNOLOGY TRANSFER, AND COMMERCIALIZATION OF PRODUCTS, PROCESSES,  
18 AND SERVICES TO ENCOURAGE THE DEVELOPMENT OF COMPETITIVE EDGE  
19 TECHNOLOGIES WITH HIGH PROBABILITY TO CREATE JOBS IN THIS STATE.

20           (3) SUBJECT TO SUBSECTION (2), THE FUND AS DETERMINED BY THE  
21 BOARD SHALL DO ALL OF THE FOLLOWING:

22           (A) ESTABLISH A COMPETITIVE PROCESS TO AWARD GRANTS AND MAKE  
23 LOANS FOR COMPETITIVE EDGE TECHNOLOGIES. THE COMPETITIVE PROCESS  
24 SHALL INCLUDE, BUT IS NOT LIMITED TO, THE FOLLOWING:

25           (i) A PROVISION THAT THE APPLICATIONS MUST BE PEER-REVIEWED BY  
26 INDEPENDENT PEER REVIEW EXPERTS BASED ON THE SCIENTIFIC, TECHNICAL,  
27 AND COMMERCIAL MERIT OF THE APPLICATION. SCIENTIFIC, TECHNICAL, AND

1 COMMERCIAL MERIT SHALL BE GIVEN EQUAL WEIGHT IN THE REVIEW AND  
2 SCORING PROCESS.

3 (ii) A PREFERENCE FOR MICHIGAN-BASED APPLICANTS.

4 (iii) A PROVISION THAT OUT-OF-STATE BUSINESS MUST HAVE A  
5 SIGNIFICANT EXISTING OR PROPOSED BUSINESS ACTIVITY IN THIS STATE.

6 (iv) A PREFERENCE FOR PROPOSALS THAT CAN CONTRIBUTE DIRECTLY TO  
7 THE DEVELOPMENT OF EMPLOYMENT OPPORTUNITIES IN THIS STATE.

8 (v) A PROVISION THAT THE PROGRAM WILL UTILIZE CONTRACTS WITH  
9 MEASURABLE MILESTONES, CLEAR OBJECTIVES, PROVISIONS TO REVOKE  
10 AWARDS FOR BREACH OF CONTRACT, AND REPAYMENT PROVISIONS FOR LOANS  
11 GIVEN TO QUALIFIED BUSINESSES THAT LEAVE MICHIGAN WITHIN 7 YEARS OF  
12 THE EXECUTION OF THE CONTRACT OR OTHERWISE BREACH THE TERMS OF THE  
13 CONTRACT.

14 (vi) A PROVISION THAT THE APPLICANT LEVERAGE OTHER RESOURCES AS  
15 A CONDITION OF THE GRANT OR LOAN. IF THE APPLICANT RECEIVES NEW  
16 COMPETITIVELY AWARDED FEDERAL FUNDS FOR A PROGRAM, THE BOARD SHALL  
17 NOT AUTHORIZE AND THE FUND SHALL NOT MAKE A GRANT OR LOAN IN AN  
18 AMOUNT THAT EXCEEDS 10% OF THE AMOUNT OF FEDERAL FUNDS. IF AN  
19 APPLICANT IS SEEKING A GRANT OR A LOAN UNDER THIS CHAPTER TO MATCH  
20 FEDERAL FUNDS FOR SMALL BUSINESS INNOVATION RESEARCH OR SMALL  
21 BUSINESS TECHNOLOGY TRANSFER PROGRAMS, THE GRANT OR LOAN UNDER THIS  
22 CHAPTER SHALL NOT EXCEED 25% OF THE FEDERAL FUNDS AND MUST LEVERAGE  
23 THIRD PARTY COMMERCIALIZATION FUNDING AT BOTH THE PHASE I AND PHASE  
24 II LEVELS.

25 (vii) OVERHEAD RATES FOR GRANTS AND LOANS THAT REFLECT ACTUAL  
26 OVERHEAD BUT NOT GREATER THAN 15% OF TOTAL DIRECT COSTS.

27 (viii) EXCEPT AS PROVIDED IN SUBPARAGRAPH (vi), A PROVISION THAT

1 GRANTS CAN ONLY BE AWARDED TO MICHIGAN INSTITUTIONS OF HIGHER  
2 EDUCATION AND MICHIGAN NONPROFIT RESEARCH INSTITUTIONS.

3 (ix) A PREFERENCE FOR COLLABORATIONS BETWEEN INSTITUTIONS OF  
4 HIGHER EDUCATION, MICHIGAN NONPROFIT RESEARCH INSTITUTIONS, AND  
5 QUALIFIED BUSINESSES.

6 (B) THE FUND SHALL CONTRACT WITH INDEPENDENT PEER REVIEW  
7 EXPERTS SELECTED BY THE BOARD TO ASSIST THE BOARD WITH ITS  
8 RESPONSIBILITIES UNDER THIS CHAPTER.

9 (4) THE BOARD SHALL ESTABLISH STANDARDS TO ENSURE THAT MONEY  
10 EXPENDED UNDER THIS CHAPTER WILL RESULT IN ECONOMIC BENEFIT TO THIS  
11 STATE AND ENSURE THAT A MAJOR SHARE OF THE BUSINESS ACTIVITY  
12 RESULTING FROM THE EXPENDITURES OCCURS IN THIS STATE.

13 (5) THE BOARD SHALL ESTABLISH STANDARDS OR PROCEDURES  
14 REQUIRING A RECIPIENT OF MONEY ALLOCATED UNDER THIS CHAPTER TO  
15 AGREE AS A CONDITION OF RECEIVING THE MONEY NOT TO USE THE MONEY  
16 FOR 1 OR MORE OF THE FOLLOWING:

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

19 (B) THE DEVELOPMENT OF A CASINO REGULATED BY THIS STATE UNDER  
20 THE MICHIGAN GAMING CONTROL AND REVENUE ACT, THE INITIATED LAW OF  
21 1996, MCL 432.201 TO 432.226, A CASINO AT WHICH GAMING IS CONDUCTED  
22 UNDER THE INDIAN GAMING REGULATORY ACT, PUBLIC LAW 100-497, 102  
23 STAT. 2467, OR PROPERTY ASSOCIATED OR AFFILIATED WITH THE OPERATION  
24 OF EITHER TYPE OF CASINO DESCRIBED IN THIS SUBDIVISION, INCLUDING,  
25 BUT NOT LIMITED TO, A PARKING LOT, HOTEL, MOTEL, OR RETAIL STORE.

26 (6) THE BOARD SHALL ESTABLISH STANDARDS TO PREVENT MONEY  
27 EXPENDED UNDER THIS SECTION FROM BEING USED FOR 1 OR MORE OF THE



1 FOLLOWING:

2 (A) GRANTS OR LOANS TO A PERSON WHO HAS BEEN CONVICTED OF A  
3 CRIMINAL OFFENSE INCIDENT TO THE APPLICATION FOR OR PERFORMANCE OF  
4 A STATE CONTRACT OR SUBCONTRACT. AS USED IN THIS SUBDIVISION, IF A  
5 PERSON IS A BUSINESS ENTITY, THEN PERSON INCLUDES AFFILIATES,  
6 SUBSIDIARIES, OFFICERS, DIRECTORS, MANAGERIAL EMPLOYEES, AND ANY  
7 PERSON WHO, DIRECTLY OR INDIRECTLY, HOLDS A PECUNIARY INTEREST IN  
8 THAT BUSINESS ENTITY OF 20% OR MORE.

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

19 (C) GRANTS OR LOANS TO A BUSINESS ENTERPRISE CURRENTLY LOCATED  
20 IN THE UNITED STATES FOR THE PURPOSE OF INDUCING THE ENTERPRISE TO  
21 RELOCATE OUTSIDE THE UNITED STATES IF THE INCENTIVE OR INDUCEMENT  
22 IS LIKELY TO REDUCE THE NUMBER OF EMPLOYEES OF THE BUSINESS  
23 ENTERPRISE IN THE UNITED STATES BECAUSE UNITED STATES PRODUCTION IS  
24 BEING REPLACED BY THE ENTERPRISE OUTSIDE THE UNITED STATES.

25 (D) GRANTS OR LOANS TO A BUSINESS ENTERPRISE CURRENTLY LOCATED  
26 IN THIS STATE FOR THE PURPOSE OF INDUCING THE ENTERPRISE TO  
27 RELOCATE OUTSIDE THIS STATE IF THE INCENTIVE OR INDUCEMENT IS

1 LIKELY TO REDUCE THE NUMBER OF EMPLOYEES OF THE BUSINESS ENTERPRISE  
2 IN THIS STATE BECAUSE PRODUCTION IN THIS STATE IS BEING REPLACED BY  
3 THE ENTERPRISE OUTSIDE THIS STATE.

4 (E) GRANTS OR LOANS THAT WOULD CONTRIBUTE TO THE VIOLATION OF  
5 INTERNATIONALLY RECOGNIZED WORKERS RIGHTS, AS DEFINED IN SECTION  
6 507(4) OF THE TRADE ACT OF 1974, 19 USC 2467(4), OF WORKERS IN A  
7 COUNTRY OTHER THAN THE UNITED STATES, INCLUDING ANY DESIGNATED ZONE  
8 OR AREA IN THAT COUNTRY.

9 (F) GRANTS OR LOANS IN A CORPORATION OR AN AFFILIATE OF THE  
10 CORPORATION INCORPORATED IN A TAX HAVEN COUNTRY AFTER SEPTEMBER 11,  
11 2001, BUT WITH THE UNITED STATES AS THE PRINCIPAL MARKET FOR THE  
12 PUBLIC TRADING OF THE CORPORATION'S STOCK, AS DETERMINED BY THE  
13 BOARD. AS USED IN THIS SECTION, "TAX HAVEN COUNTRY" INCLUDES A  
14 COUNTRY WITH TAX LAWS THAT FACILITATE AVOIDANCE BY A CORPORATION OR  
15 AN AFFILIATE OF THE CORPORATION OF UNITED STATES TAX OBLIGATIONS,  
16 INCLUDING BARBADOS, BERMUDA, BRITISH VIRGIN ISLANDS, CAYMAN  
17 ISLANDS, COMMONWEALTH OF THE BAHAMAS, CYPRUS, GIBRALTAR, ISLE OF  
18 MAN, THE PRINCIPALITY OF LIECHTENSTEIN, THE PRINCIPALITY OF MONACO,  
19 AND THE REPUBLIC OF THE SEYCHELLES.

20 (7) IN ADDITION TO ANY AUDIT REQUIREMENTS UNDER SECTION 9, NOT  
21 LATER THAN MAY 15, 2007 AND EACH SUBSEQUENT MAY 15, THE AUDITOR  
22 GENERAL SHALL CONDUCT A PERFORMANCE POST AUDIT OF THE BOARD AND THE  
23 INVESTMENT FUND AND A POST AUDIT OF FINANCIAL TRANSACTIONS AND  
24 ACCOUNTS OF THE BOARD AND THE INVESTMENT FUND. THE RESULTS OF THE  
25 PERFORMANCE POST AUDIT AND THE POST AUDIT OF FINANCIAL TRANSACTIONS  
26 AND ACCOUNTS SHALL BE PUBLISHED ON THE INTERNET AND DISSEMINATED BY  
27 OTHER MEANS IN A MANNER DETERMINED BY THE BOARD TO ADVISE THE

1 CITIZENS OF THIS STATE OF THE RESULT OF THE AUDITS. COPIES OF THE  
2 AUDITS SHALL BE PROVIDED TO THE GOVERNOR, THE CLERK OF THE HOUSE OF  
3 REPRESENTATIVES, AND THE SECRETARY OF THE SENATE.

4 (8) IN ADDITION TO ANY REPORTING REQUIREMENTS UNDER SECTION 9,  
5 NOT LATER THAN DECEMBER 31 OF EACH YEAR, THE BOARD AND THE FUND  
6 SHALL REPORT TO THE GOVERNOR, THE CLERK OF THE HOUSE OF  
7 REPRESENTATIVES, AND THE SECRETARY OF THE SENATE. THE REPORT SHALL  
8 CONTAIN ALL OF THE FOLLOWING FOR THE IMMEDIATELY PRECEDING FISCAL  
9 YEAR THAT ARE RELATED TO A GRANT OR LOAN MADE BY THE FUND AS  
10 DETERMINED BY THE BOARD:

11 (A) A LIST OF ENTITIES THAT RECEIVED FUNDING, THE AMOUNT  
12 RECEIVED, AND THE TYPE OF FUNDING.

13 (B) THE NUMBER OF NEW PATENTS, COPYRIGHTS, OR TRADEMARKS  
14 APPLIED FOR AND ISSUED.

15 (C) THE NUMBER OF NEW START-UP BUSINESSES.

16 (D) THE NUMBER OF NEW JOBS AND PROJECTED NEW JOB GROWTH.

17 (E) AMOUNTS OF OTHER FUNDS LEVERAGED.

18 (F) MONEY OR OTHER REVENUE OR PROPERTY RETURNED TO THE BOND  
19 FUND.

20 (G) THE TOTAL NUMBER OF NEW LICENSING AGREEMENTS BY  
21 INSTITUTION AND THE NUMBER OF NEW LICENSING AGREEMENTS ENTERED INTO  
22 WITH MICHIGAN BASED FIRMS.

23 (H) PRODUCTS COMMERCIALIZED.

24 (9) THE FUND SHALL PUBLISH THE STANDARDS DESCRIBED IN THIS  
25 SECTION ON THE INTERNET AND DISSEMINATE THEM BY ANY OTHER MEANS  
26 DETERMINED BY THE BOARD.

27 (10) WHEN THE BOARD APPROVES A GRANT OR A LOAN UNDER THIS

1 CHAPTER, THE BOARD SHALL STATE THE SPECIFIC OBJECTIVE REASONS THE  
2 APPLICANT WAS SELECTED OVER OTHER APPLICANTS FOR A GRANT OR LOAN  
3 UNDER THIS CHAPTER.

4 SEC. 88E. (1) THE BOARD SHALL CONSIST OF 19 MEMBERS, AS  
5 PROVIDED UNDER SUBSECTIONS (2) AND (3).

6 (2) THE BOARD SHALL INCLUDE EACH OF THE 2 FOLLOWING VOTING EX  
7 OFFICIO MEMBERS:

8 (A) THE DIRECTOR OF THE DEPARTMENT OF LABOR AND ECONOMIC  
9 GROWTH OR HIS OR HER DESIGNEE FROM WITHIN THE DEPARTMENT OF LABOR  
10 AND ECONOMIC GROWTH.

11 (B) THE STATE TREASURER OR HIS OR HER DESIGNEE FROM WITHIN THE  
12 DEPARTMENT OF TREASURY.

13 (3) THE BOARD SHALL INCLUDE THE FOLLOWING 17 MEMBERS APPOINTED  
14 BY THE GOVERNOR WITH, EXCEPT FOR THE INDIVIDUALS DESCRIBED IN  
15 SUBDIVISIONS (C) AND (D), THE ADVICE AND CONSENT OF THE SENATE:

16 (A) EIGHT MEMBERS REPRESENTING BUSINESS WITH EXPERTISE,  
17 KNOWLEDGE, SKILL, OR EXPERIENCE IN VENTURE CAPITAL INVESTMENTS,  
18 BUSINESS FINANCE, BRINGING COMPETITIVE EDGE TECHNOLOGY PRODUCTS TO  
19 MARKET, OR REPRESENTING A QUALIFIED BUSINESS.

20 (B) A MEMBER REPRESENTING THE VAN ANDEL INSTITUTE OR A  
21 SUCCESSOR ORGANIZATION.

22 (C) ONE MEMBER APPOINTED FROM A LIST OF 2 OR MORE INDIVIDUALS  
23 SELECTED BY THE MAJORITY LEADER OF THE SENATE REPRESENTING  
24 QUALIFIED BUSINESSES OR PERSONS WITH BUSINESS, TECHNOLOGICAL, OR  
25 FINANCIAL EXPERIENCE RELATED TO COMPETITIVE EDGE TECHNOLOGY.

26 (D) ONE MEMBER APPOINTED FROM A LIST OF 2 OR MORE INDIVIDUALS  
27 SELECTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

1 REPRESENTING QUALIFIED BUSINESSES OR PERSONS WITH BUSINESS,  
2 TECHNOLOGICAL, OR FINANCIAL EXPERIENCE RELATED TO COMPETITIVE EDGE  
3 TECHNOLOGY.

4 (E) A MEMBER REPRESENTING MICHIGAN STATE UNIVERSITY.

5 (F) A MEMBER REPRESENTING THE UNIVERSITY OF MICHIGAN.

6 (G) A MEMBER REPRESENTING WAYNE STATE UNIVERSITY.

7 (H) A MEMBER REPRESENTING WESTERN MICHIGAN UNIVERSITY.

8 (I) A MEMBER REPRESENTING MICHIGAN TECHNOLOGICAL UNIVERSITY.

9 (J) A MEMBER REPRESENTING A PUBLIC UNIVERSITY IN MICHIGAN  
10 OTHER THAN MICHIGAN STATE UNIVERSITY, THE UNIVERSITY OF MICHIGAN,  
11 WAYNE STATE UNIVERSITY, WESTERN MICHIGAN UNIVERSITY, OR MICHIGAN  
12 TECHNOLOGICAL UNIVERSITY.

13 (4) OF THE MEMBERS OF THE BOARD INITIALLY APPOINTED UNDER  
14 SUBSECTION (3), 5 MEMBERS SHALL BE APPOINTED FOR TERMS EXPIRING ON  
15 DECEMBER 31, 2006, 5 MEMBERS SHALL BE APPOINTED FOR TERMS EXPIRING  
16 ON DECEMBER 31, 2007, 5 MEMBERS SHALL BE APPOINTED FOR TERMS  
17 EXPIRING ON DECEMBER 31, 2008, AND 2 MEMBERS SHALL BE APPOINTED FOR  
18 TERMS EXPIRING ON DECEMBER 31, 2009. AFTER THE EXPIRATION OF THE  
19 INITIAL APPOINTMENT TERMS PROVIDED FOR BY THIS SUBSECTION, MEMBERS  
20 OF THE BOARD SHALL BE APPOINTED FOR TERMS OF 4 YEARS.

21 (5) FOR MEMBERS OF THE BOARD APPOINTED UNDER SUBSECTION (3), A  
22 VACANCY ON THE BOARD OCCURRING OTHER THAN BY EXPIRATION OF A TERM  
23 SHALL BE FILLED IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT FOR  
24 THE BALANCE OF THE UNEXPIRED TERM. A MEMBER OF THE BOARD SHALL HOLD  
25 OFFICE UNTIL A SUCCESSOR HAS BEEN APPOINTED AND QUALIFIED. A MEMBER  
26 OF THE BOARD IS ELIGIBLE FOR REAPPOINTMENT. STATE EMPLOYEES ARE NOT  
27 ELIGIBLE TO SERVE AS MEMBERS APPOINTED UNDER SUBSECTION (3).

1           (6) THE GOVERNOR SHALL DESIGNATE 1 OF THE MEMBERS OF THE BOARD  
2 TO SERVE AS ITS CHAIRPERSON AT THE PLEASURE OF THE GOVERNOR. THE  
3 BOARD SHALL SELECT FROM AMONG ITS MEMBERS A MEMBER TO SERVE AS  
4 VICE-CHAIRPERSON AND A MEMBER TO SERVE AS SECRETARY. STAFF FROM THE  
5 DEPARTMENT OF LABOR AND ECONOMIC GROWTH OR THE MEDC SHALL ASSIST  
6 THE SECRETARY WITH RECORD-KEEPING RESPONSIBILITIES.

7           (7) UPON APPOINTMENT TO THE BOARD UNDER THIS SECTION AND UPON  
8 THE TAKING AND FILING OF THE CONSTITUTIONAL OATH OF OFFICE  
9 PRESCRIBED IN SECTION 1 OF ARTICLE XI OF THE STATE CONSTITUTION OF  
10 1963, A MEMBER SHALL ENTER THE OFFICE AND EXERCISE THE DUTIES OF  
11 THE OFFICE.

12           (8) MEMBERS OF THE BOARD SHALL SERVE WITHOUT COMPENSATION, BUT  
13 MAY BE REIMBURSED FOR ACTUAL AND NECESSARY EXPENSES.

14           (9) UPON THE INITIAL APPOINTMENT OF MEMBERS UNDER THIS  
15 SECTION, THE BOARD SHALL ORGANIZE AND ADOPT ITS OWN POLICIES,  
16 PROCEDURES, SCHEDULE OF REGULAR MEETINGS, AND A REGULAR MEETING  
17 DATE, PLACE, AND TIME.

18           (10) THE BOARD MAY ACT ONLY BY RESOLUTION APPROVED BY A  
19 MAJORITY OF BOARD MEMBERS APPOINTED AND SERVING. A MAJORITY OF THE  
20 MEMBERS OF THE BOARD THEN IN OFFICE SHALL CONSTITUTE A QUORUM FOR  
21 THE TRANSACTION OF BUSINESS. THE BOARD SHALL MEET IN PERSON OR BY  
22 MEANS OF ELECTRONIC COMMUNICATION DEVICES THAT ENABLE ALL  
23 PARTICIPANTS IN THE MEETING TO COMMUNICATE WITH EACH OTHER.

24           (11) THE BOARD SHALL CONDUCT ALL BUSINESS AT PUBLIC MEETINGS  
25 HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976 PA 267, MCL  
26 15.261 TO 15.275. PUBLIC NOTICE OF THE TIME, DATE, AND PLACE OF  
27 EACH MEETING SHALL BE GIVEN IN THE MANNER REQUIRED BY THE OPEN

1 MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275, AND SHALL BE  
2 PUBLISHED ON THE INTERNET.

3 SEC. 88F. (1) NOTWITHSTANDING SECTION 3(1) OF 1968 PA 317, MCL  
4 15.323, MEMBERS OF THE BOARD ARE CONSIDERED PUBLIC SERVANTS SUBJECT  
5 TO 1968 PA 317, MCL 15.321 TO 15.330, AND PUBLIC OFFICERS SUBJECT  
6 TO 1973 PA 196, MCL 15.341 TO 15.348. A MEMBER OF THE BOARD SHALL  
7 DISCHARGE THE DUTIES OF THE POSITION IN A NONPARTISAN MANNER, IN  
8 GOOD FAITH, IN THE BEST INTERESTS OF THIS STATE, AND WITH THE  
9 DEGREE OF DILIGENCE, CARE, AND SKILL THAT AN ORDINARILY PRUDENT  
10 PERSON WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES IN A LIKE  
11 POSITION. IN DISCHARGING DUTIES OF THE OFFICE, A MEMBER OF THE  
12 BOARD WHEN ACTING IN GOOD FAITH MAY RELY UPON THE REPORT OF AN  
13 INDEPENDENT EXPERT OR INDEPENDENT PEER REVIEW EXPERT OR UPON  
14 FINANCIAL STATEMENTS OF THE BOARD REPRESENTED TO THE MEMBER OF THE  
15 BOARD BY THE OFFICER OF THE BOARD HAVING CHARGE OF ITS BOOKS OR  
16 ACCOUNTS OR STATED IN A WRITTEN REPORT BY THE AUDITOR GENERAL.

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

22 (3) AN INDEPENDENT PEER REVIEW EXPERT SHALL NOT HAVE ANY  
23 FINANCIAL INTEREST IN A RECIPIENT OF INVESTMENT FUND PROCEEDS UNDER  
24 THIS CHAPTER.

25 SEC. 88G. (1) A RECORD PREPARED, OWNED, USED, IN THE  
26 POSSESSION OF, OR RETAINED BY THE BOARD OR THE MEDC IN THE  
27 PERFORMANCE OF AN OFFICIAL FUNCTION UNDER THIS CHAPTER SHALL BE

1 AVAILABLE TO THE PUBLIC IN COMPLIANCE WITH THE FREEDOM OF  
2 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, UNLESS  
3 OTHERWISE PROVIDED BY LAW.

4 (2) A RECORD OR PORTION OF A RECORD, MATERIAL, OR OTHER DATA  
5 RECEIVED, PREPARED, USED, OR RETAINED BY THE BOARD IN CONNECTION  
6 WITH AN APPLICATION FOR A GRANT OR LOAN UNDER THIS CHAPTER THAT  
7 RELATES TO FINANCIAL OR PROPRIETARY INFORMATION SUBMITTED BY THE  
8 APPLICANT THAT IS CONSIDERED BY THE APPLICANT AND ACKNOWLEDGED BY  
9 THE BOARD AS CONFIDENTIAL SHALL NOT BE SUBJECT TO THE DISCLOSURE  
10 REQUIREMENTS OF THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL  
11 15.231 TO 15.246. A DESIGNEE OF THE BOARD SHALL MAKE THE  
12 DETERMINATION AS TO WHETHER THE BOARD ACKNOWLEDGES AS CONFIDENTIAL  
13 ANY FINANCIAL OR PROPRIETARY INFORMATION SUBMITTED BY THE APPLICANT  
14 AND CONSIDERED BY THE APPLICANT AS CONFIDENTIAL. UNLESS CONSIDERED  
15 PROPRIETARY INFORMATION, THE BOARD SHALL NOT ACKNOWLEDGE ROUTINE  
16 FINANCIAL INFORMATION AS CONFIDENTIAL. IF THE DESIGNEE OF THE BOARD  
17 DETERMINES THAT INFORMATION SUBMITTED TO THE BOARD IS FINANCIAL OR  
18 PROPRIETARY INFORMATION AND IS CONFIDENTIAL, THE DESIGNEE OF THE  
19 BOARD SHALL RELEASE A WRITTEN STATEMENT, SUBJECT TO DISCLOSURE  
20 UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, 15.231 TO  
21 15.246, WHICH STATES ALL OF THE FOLLOWING:

22 (A) THE NAME AND BUSINESS LOCATION OF THE PERSON REQUESTING  
23 THAT THE INFORMATION SUBMITTED BE CONFIDENTIAL AS FINANCIAL OR  
24 PROPRIETARY INFORMATION.

25 (B) THAT THE INFORMATION SUBMITTED WAS DETERMINED BY THE  
26 DESIGNEE OF THE BOARD TO BE CONFIDENTIAL AS FINANCIAL OR  
27 PROPRIETARY INFORMATION.



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

3 (3) UNLESS OTHERWISE REQUIRED BY LAW, THE BOARD AND THE MEDC  
4 SHALL NOT DISCLOSE FINANCIAL OR PROPRIETARY INFORMATION EXEMPT FROM  
5 DISCLOSURE AS PROVIDED BY LAW WITHOUT THE CONSENT OF THE PERSON  
6 SUBMITTING THE INFORMATION.

7 (4) AS USED IN THIS SECTION, "FINANCIAL OR PROPRIETARY  
8 INFORMATION" MEANS INFORMATION THAT HAS NOT BEEN PUBLICLY  
9 DISSEMINATED OR IS UNAVAILABLE FROM OTHER SOURCES, THE RELEASE OF  
10 WHICH MIGHT CAUSE THE PERSON SIGNIFICANT COMPETITIVE HARM.

11 SEC. 94. (1) THE GOVERNOR SHALL INQUIRE INTO THE  
12 ADMINISTRATION OF THIS ACT.

13 (2) THE GOVERNOR MAY REMOVE OR SUSPEND ANY APPOINTIVE PUBLIC  
14 OFFICER FOR VIOLATIONS OF THIS ACT. THE GOVERNOR MAY REQUEST THE  
15 MEDC TO REMOVE OR SUSPEND ANY MEDC CORPORATE EMPLOYEE FOR  
16 VIOLATIONS OF THIS ACT.

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

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

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

25 SEC. 95. BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT  
26 THAT ADDED THIS SECTION, ALL STATUTORY AND OTHER REFERENCES TO THE  
27 MICHIGAN STRATEGIC FUND SHALL BE CONSIDERED REFERENCES TO THE JOBS

1 FOR MICHIGAN FUND AND STATUTORY AND OTHER REFERENCES TO THE  
2 MICHIGAN STRATEGIC FUND ACT SHALL BE CONSIDERED REFERENCES TO THIS  
3 ACT. NOTHING IN THE AMENDATORY ACT THAT ADDED THIS SECTION SHALL BE  
4 CONSTRUED TO ALTER ANY RIGHTS, RESPONSIBILITIES, OR OBLIGATIONS OF  
5 THE MICHIGAN STRATEGIC FUND, WHICH SHALL REMAIN THE RIGHTS,  
6 RESPONSIBILITIES, AND OBLIGATIONS OF THE JOBS FOR MICHIGAN FUND.