

SENATE BILL No. 488

May 10, 2005, Introduced by Senators SCHAUER, JACOBS, SWITALSKI, BRATER, BASHAM, BERNERO, PRUSI, THOMAS, LELAND, OLSHOVE, BARCIA, CLARK-COLEMAN, SCOTT, EMERSON, CHERRY and CLARKE and referred to the Committee on Appropriations.

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:

TITLE

An act relating to the economic development of this state; to
create the **JOBS FOR** 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
authority to the **JOBS FOR** Michigan ~~strategic~~ fund; to provide for

1 the expenditure of proceeds in certain funds to which the **JOBS FOR**
2 Michigan ~~strategie~~ fund succeeds in ownership; to provide for the
3 issuance of, and terms and conditions for, notes and bonds of the
4 **JOBS FOR** Michigan ~~strategie~~ fund; **TO AUTHORIZE THE ISSUANCE OF**
5 **GENERAL OBLIGATION BONDS OF THIS STATE AND TO PLEDGE THE FULL FAITH**
6 **AND CREDIT OF THIS STATE FOR THE PAYMENT OF PRINCIPAL AND INTEREST**
7 **ON THE BONDS; TO USE BOND PROCEEDS TO FINANCE ACTIVITIES AND**
8 **PROGRAMS OF THE JOBS FOR MICHIGAN FUND TO DIVERSIFY THE ECONOMY OF**
9 **THIS STATE, TO ENCOURAGE LONG-TERM ECONOMIC GROWTH AND FULL**
10 **EMPLOYMENT, AND TO CREATE JOBS; TO PAY FOR ISSUING THE GENERAL**
11 **OBLIGATION BONDS; TO PROVIDE FOR OTHER MEASURES RELATED TO THE**
12 **GENERAL OBLIGATION BONDS;** to exempt the property, income, and
13 operation of the fund and its bonds and notes, and the interest
14 thereon, from certain taxes; to provide for the creation of certain
15 centers within and for the purposes of the **JOBS FOR** Michigan
16 ~~strategie~~ fund; to provide for the creation and funding of certain
17 accounts for certain purposes; to impose certain powers and duties
18 upon certain officials, departments, and authorities of ~~the~~ **THIS**
19 state; to provide penalties; and to repeal ~~certain~~ acts and parts
20 of acts.

21 Sec. 3. This act shall be known and may be cited as the "**JOBS**
22 **FOR** Michigan ~~strategie~~ fund act".

23 Sec. 4. As used in this act:

24 (a) "Board" means the board of directors of the **JOBS FOR**
25 Michigan ~~strategie~~ fund, except where the context clearly
26 requires a different definition.

27 (b) "Economic development project" means an endeavor related

1 to industrial, commercial, or agricultural enterprise. Economic
2 development project includes, but is not limited to, a theme or
3 recreation park; agricultural or forestry production, harvesting,
4 storage, or processing facilities or equipment; and the use of
5 equipment or facilities designed to produce energy from renewable
6 resources. Economic development project does not include that
7 portion of an endeavor devoted to the sale of goods at retail,
8 except that, as used in relation to the fund insuring a transaction
9 entered into by a depository institution, and as used in relation
10 to a loan by the fund to a minority owned business, an economic
11 development project may include that portion of an endeavor devoted
12 to the sale of goods at retail. Economic development project does
13 not include that portion of an endeavor devoted to housing **OR A**
14 **PROGRAM OR ACTIVITY AUTHORIZED UNDER CHAPTER 8A.**

15 (c) "Fund" means the **JOBS FOR** Michigan ~~—strategie—~~ fund
16 created under section 5, except where the context clearly requires
17 a different definition.

18 (d) "Municipality" means a county, city, village, township,
19 port district, development organization, institution of higher
20 education, community or junior college, or subdivision or
21 instrumentality of any of the legal entities listed in this
22 subdivision.

23 (e) "Person" means an individual, sole proprietorship,
24 partnership, **LIMITED LIABILITY COMPANY**, joint venture, profit or
25 nonprofit corporation including a public or private college or
26 university, public utility, local industrial development
27 corporation, economic development corporation, or other association

1 of persons organized for agricultural, commercial, or industrial
2 purposes.

3 (f) "Project" means an economic development project and, in
4 addition, means the acquisition, construction, reconstruction,
5 conversion, or leasing of an industrial, commercial, retail,
6 agricultural, or forestry enterprise, or any part ~~thereof~~ **OF**
7 **THESE**, to carry out the purposes and objectives of this act and of
8 the fund, including, but not limited to, acquisition of land or
9 interest in land, buildings, structures, or other planned or
10 existing planned improvements to land including leasehold
11 improvements, machinery, equipment, or furnishings which include,
12 but are not limited to, the following: research parks; office
13 facilities; engineering facilities; research and development
14 laboratories; warehousing facilities; parts distribution
15 facilities; depots or storage facilities; port facilities; railroad
16 facilities, including trackage, right of way, and appurtenances;
17 airports; water and air pollution control equipment or waste
18 disposal facilities; theme or recreational parks; equipment or
19 facilities designed to produce energy from renewable resources;
20 farms, ranches, forests, and other agricultural or forestry
21 commodity producers; agricultural harvesting, storage,
22 transportation, or processing facilities or equipment; grain
23 elevators; shipping heads and livestock pens; livestock;
24 warehouses; wharves and dock facilities; water, electricity, hydro
25 electric, coal, petroleum, or natural gas provision facilities;
26 dams and irrigation facilities; sewage, liquid, and solid waste
27 collection, disposal treatment, and drainage services and

1 facilities. PROJECT DOES NOT INCLUDE A PROGRAM OR ACTIVITY
2 AUTHORIZED UNDER CHAPTER 8A.

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

6 Sec. 13. The total debt owed to the fund, excluding rights and
7 royalties under a venture capital agreement or obligations to the
8 fund resulting from an industrial development revenue bond or note,
9 in relation to any 1 project shall at no time exceed 5% of the
10 total assets of the fund, except that upon approval by a 2/3 vote
11 of the board this amount may be increased to not to exceed 10% of
12 the assets of the fund. THIS SECTION DOES NOT APPLY TO A PROGRAM OR
13 ACTIVITY AUTHORIZED UNDER CHAPTER 8A.

14 CHAPTER 8A

15 SEC. 88. THE LEGISLATURE FINDS AND DECLARES THAT THE
16 ACTIVITIES AND PROGRAMS AUTHORIZED UNDER THIS CHAPTER TO DIVERSIFY
17 THE ECONOMY OF THIS STATE, ENCOURAGE LONG-TERM ECONOMIC GROWTH AND
18 FULL EMPLOYMENT, AND CREATE JOBS ARE A PUBLIC PURPOSE AND OF
19 PARAMOUNT CONCERN IN THE INTEREST OF THE HEALTH, SAFETY, AND
20 GENERAL WELFARE OF THE CITIZENS OF THIS STATE.

21 SEC. 88A. NOTWITHSTANDING SECTION 23, THIS STATE SHALL BORROW
22 A SUM NOT TO EXCEED \$2,000,000,000.00 AND ISSUE THE GENERAL
23 OBLIGATION BONDS OF THIS STATE, PLEDGING THE FULL FAITH AND CREDIT
24 OF THIS STATE FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THOSE
25 BONDS. PROCEEDS OF THE BONDS SHALL FINANCE THE ACTIVITIES AND
26 PROGRAMS AUTHORIZED UNDER THIS CHAPTER TO DIVERSIFY THE ECONOMY OF
27 THIS STATE, ENCOURAGE LONG-TERM ECONOMIC GROWTH AND FULL

1 EMPLOYMENT, AND CREATE JOBS.

2 SEC. 88B. (1) BONDS AUTHORIZED UNDER THIS CHAPTER SHALL BE
3 ISSUED IN 1 OR MORE SERIES, EACH SERIES TO BE IN A PRINCIPAL
4 AMOUNT, TO BE DATED, TO HAVE THE MATURITIES THAT MAY BE EITHER
5 SERIAL, TERM, OR BOTH, TO BEAR INTEREST AT A RATE OR RATES, TO BE
6 SUBJECT OR NOT SUBJECT TO PRIOR REDEMPTION, AND IF SUBJECT TO PRIOR
7 REDEMPTION WITH OR WITHOUT CALL PREMIUMS, TO BE PAYABLE AT A PLACE
8 OR PLACES, TO HAVE OR NOT HAVE PROVISIONS FOR REGISTRATION AS TO
9 PRINCIPAL ONLY OR AS TO BOTH PRINCIPAL AND INTEREST, TO BE IN A
10 FORM AND TO BE EXECUTED IN A MANNER AS SHALL BE DETERMINED BY
11 RESOLUTION TO BE ADOPTED BY THE STATE ADMINISTRATIVE BOARD AND
12 SUBJECT TO COVENANTS, DIRECTIONS, RESTRICTIONS, OR RIGHTS SPECIFIED
13 BY RESOLUTION TO BE ADOPTED BY THE STATE ADMINISTRATIVE BOARD AS
14 NECESSARY TO ENSURE THE MARKETABILITY, INSURABILITY, OR TAX-EXEMPT
15 STATUS OF THE BONDS. THE STATE ADMINISTRATIVE BOARD SHALL ROTATE
16 THE SERVICES OF LEGAL COUNSEL WHEN ISSUING BONDS.

17 (2) THE STATE ADMINISTRATIVE BOARD MAY REFUND BONDS ISSUED
18 UNDER THIS CHAPTER BY THE ISSUANCE OF NEW BONDS, WHETHER OR NOT THE
19 BONDS TO BE REFUNDED HAVE MATURED OR ARE SUBJECT TO PRIOR
20 REDEMPTION. THE STATE ADMINISTRATIVE BOARD MAY ISSUE BONDS PARTLY
21 TO REFUND BONDS ISSUED UNDER THIS CHAPTER AND PARTLY FOR ANY OTHER
22 PURPOSE PROVIDED BY THIS CHAPTER. THE PRINCIPAL AMOUNT OF ANY
23 REFUNDING BONDS ISSUED UNDER THIS SECTION SHALL NOT BE COUNTED
24 AGAINST THE LIMITATION ON PRINCIPAL AMOUNT PROVIDED UNDER SECTION
25 88A.

26 (3) THE STATE ADMINISTRATIVE BOARD MAY AUTHORIZE AND APPROVE
27 INSURANCE CONTRACTS, AGREEMENTS FOR LINES OF CREDIT, LETTERS OF

1 CREDIT, COMMITMENTS TO PURCHASE BONDS, AND ANY OTHER TRANSACTIONS
2 TO PROVIDE SECURITY TO ASSURE TIMELY PAYMENT OR PURCHASE OF ANY
3 BOND ISSUED UNDER THIS CHAPTER. THE STATE ADMINISTRATIVE BOARD MAY
4 AUTHORIZE AND APPROVE AN INTEREST RATE EXCHANGE OR SWAP, HEDGE, OR
5 SIMILAR AGREEMENT IN CONNECTION WITH THE ISSUANCE OF BONDS UNDER
6 THIS CHAPTER, PAYABLE FROM THE SAME SOURCE AS THE BONDS.

7 (4) THE STATE ADMINISTRATIVE BOARD MAY AUTHORIZE THE STATE
8 TREASURER, BUT ONLY WITHIN LIMITATIONS CONTAINED IN THE AUTHORIZING
9 RESOLUTION OF THE STATE ADMINISTRATIVE BOARD, TO DO 1 OR MORE OF
10 THE FOLLOWING:

11 (A) SELL AND DELIVER AND RECEIVE PAYMENT FOR THE BONDS.

12 (B) DELIVER BONDS PARTLY TO REFUND BONDS AND PARTLY FOR OTHER
13 AUTHORIZED PURPOSES.

14 (C) SELECT WHICH OUTSTANDING BONDS WILL BE REFUNDED, IF ANY,
15 BY THE NEW ISSUE OF BONDS.

16 (D) BUY ISSUED BONDS.

17 (E) APPROVE INTEREST RATES OR METHODS FOR FIXING INTEREST
18 RATES, INCLUDING FIXED OR VARIABLE RATES, PRICES, DISCOUNTS,
19 MATURITIES, PRINCIPAL AMOUNTS, PURCHASE PRICES, PURCHASE DATES,
20 REMARKETING DATES, DENOMINATIONS, DATES OF ISSUANCE, INTEREST
21 PAYMENT DATES, REDEMPTION RIGHTS AT THE OPTION OF THIS STATE OR THE
22 OWNER, THE PLACE AND TIME OF DELIVERY AND PAYMENT, AND OTHER
23 MATTERS AND PROCEDURES NECESSARY TO COMPLETE THE AUTHORIZED
24 TRANSACTIONS.

25 (F) EXECUTE, DELIVER, AND PAY THE COST OF REMARKETING
26 AGREEMENTS, INSURANCE CONTRACTS, AGREEMENTS FOR LINES OF CREDIT,
27 LETTERS OF CREDIT, COMMITMENTS TO PURCHASE BONDS OR NOTES, AND ANY

1 OTHER TRANSACTION TO PROVIDE SECURITY TO ASSURE TIMELY PAYMENTS OR
2 PURCHASE OF ANY BOND ISSUED UNDER THIS CHAPTER.

3 (G) DETERMINE THE DETAILS OF, EXECUTE, DELIVER, AND PAY THE
4 COST OF ANY INTEREST RATE EXCHANGE OR SWAP, HEDGE, OR SIMILAR
5 AGREEMENT.

6 (5) BONDS ISSUED UNDER THIS CHAPTER ARE NOT SUBJECT TO THE
7 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
8 141.2821. BONDS ISSUED UNDER THIS CHAPTER ARE SUBJECT TO THE AGENCY
9 FINANCING REPORTING ACT, 2002 PA 470, MCL 129.171 TO 129.177.

10 (6) BONDS ISSUED UNDER THIS CHAPTER OR ANY SERIES OF BONDS
11 ISSUED UNDER THIS CHAPTER MAY BE SOLD AT PUBLIC OR PRIVATE SALE OR
12 MAY BE ISSUED AND DELIVERED TO ANY PERSON IN WHICH BOND PROCEEDS
13 MAY BE INVESTED OR DEPOSITED UNDER THIS CHAPTER AS DETERMINED BY OR
14 PURSUANT TO A RESOLUTION OF THE STATE ADMINISTRATIVE BOARD.

15 (7) BONDS ISSUED UNDER THIS CHAPTER SHALL BE ISSUED IN A
16 MANNER THAT PROVIDES THAT DEBT PAYMENTS DO NOT BEGIN BEFORE OCTOBER
17 1, 2007.

18 SEC. 88C. (1) BONDS ISSUED UNDER THIS CHAPTER SHALL BE FULLY
19 NEGOTIABLE UNDER THE UNIFORM COMMERCIAL CODE, 1962 PA 174, MCL
20 440.1101 TO 440.11102.

21 (2) BONDS AND THE INTEREST ON THE BONDS ISSUED UNDER THIS
22 CHAPTER ARE EXEMPT FROM ALL TAXATION BY THIS STATE OR ANY POLITICAL
23 SUBDIVISION OF THIS STATE.

24 SEC. 88D. BONDS ISSUED UNDER THIS CHAPTER ARE SECURITIES IN
25 WHICH BANKS, SAVINGS AND LOAN ASSOCIATIONS, STATE AUTHORITIES,
26 INVESTMENT COMPANIES, CREDIT UNIONS, AND OTHER PERSONS CARRYING ON
27 A BANKING BUSINESS; ALL INSURANCE COMPANIES, INSURANCE

1 ASSOCIATIONS, AND OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS;
2 AND ALL ADMINISTRATORS, EXECUTORS, GUARDIANS, TRUSTEES, AND OTHER
3 FIDUCIARIES MAY PROPERLY AND LEGALLY INVEST FUNDS, INCLUDING
4 CAPITAL, BELONGING TO THEM OR WITHIN THEIR CONTROL.

5 SEC 88E. (1) THE JOBS FOR MICHIGAN ECONOMIC DEVELOPMENT AND
6 DIVERSIFICATION BOND FUND IS CREATED IN THE STATE TREASURY.

7 (2) THE BOND FUND SHALL CONSIST OF ALL OF THE FOLLOWING:

8 (A) THE PROCEEDS OF THE SALE OF ANY SERIES OF THE BONDS
9 AUTHORIZED UNDER THIS CHAPTER.

10 (B) ANY PREMIUM AND ACCRUED INTEREST RECEIVED ON THE DELIVERY
11 OF THE BONDS.

12 (C) ANY INTEREST OR EARNINGS GENERATED BY THE PROCEEDS
13 DESCRIBED IN SUBDIVISION (A).

14 (D) ANY OTHER FUNDS REQUIRED TO BE DEPOSITED IN THE BOND FUND
15 OR A SUBACCOUNT OF THE BOND FUND UNDER THIS CHAPTER.

16 (3) THE DEPARTMENT OF TREASURY SHALL ESTABLISH WITHIN THE BOND
17 FUND A JOBS FOR MICHIGAN BOND REPAYMENT SUBACCOUNT. MONEY IN THE
18 REPAYMENT SUBACCOUNT SHALL BE USED TO REPAY PRINCIPAL OR INTEREST
19 ON BONDS ISSUED UNDER THIS CHAPTER AND ANY REDEMPTION PREMIUMS ON
20 BONDS ISSUED UNDER THIS CHAPTER. THE REPAYMENT SUBACCOUNT SHALL
21 CONSIST OF ALL OF THE FOLLOWING, WHICH SHALL BE DEPOSITED BY THE
22 FUND OR THE MEDC IN THE REPAYMENT SUBACCOUNT:

23 (A) ROYALTIES, RETURN ON INVESTMENTS, RETURN OF PRINCIPAL,
24 PAYMENTS MADE, OR OTHER MONEY RECEIVED BY OR PAYABLE TO THE FUND OR
25 THE MEDC UNDER AGREEMENTS RELATED TO GRANTS, INVESTMENTS, OR OTHER
26 PAYMENTS BY THE FUND UNDER THIS CHAPTER.

27 (B) ROYALTIES, RETURN ON INVESTMENTS, RETURN OF PRINCIPAL,

1 PAYMENTS MADE, OR OTHER MONEY RECEIVED BY OR PAYABLE TO THE FUND OR
2 THE MEDC UNDER AGREEMENTS RELATED TO GRANTS, INVESTMENTS, OR OTHER
3 PAYMENTS FUNDED BY APPROPRIATIONS FROM THE STATE GENERAL FUND OR
4 TOBACCO SETTLEMENT REVENUE UNDER 1 OR MORE OF THE FOLLOWING:

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

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

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

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

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

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

27 (4) IN ADDITION TO THE REPAYMENT SUBACCOUNT CREATED UNDER

1 SUBSECTION (3), THE DEPARTMENT OF TREASURY MAY ESTABLISH OTHER
2 RESTRICTED SUBACCOUNTS WITHIN THE BOND FUND AS NECESSARY TO
3 ADMINISTER THE BOND FUND.

4 (5) MONEY IN THE BOND FUND SHALL BE DISBURSED ONLY FOR THE
5 PURPOSES FOR WHICH THE BONDS ISSUED UNDER THIS CHAPTER HAVE BEEN
6 AUTHORIZED, INCLUDING, BUT NOT LIMITED TO, THE EXPENSE OF ISSUING
7 THE BONDS, THE PROCEEDS OF SALE OF ANY SERIES OF THE BONDS, ANY
8 PREMIUM AND ACCRUED INTEREST RECEIVED ON THE DELIVERY OF THE BONDS,
9 AND ANY INTEREST EARNED ON THE PROCEEDS OF THE BONDS.

10 SEC. 88F. (1) THE STATE TREASURER SHALL DIRECT THE INVESTMENT
11 OF THE BOND FUND.

12 (2) ANY REMAINING BALANCE IN THE BOND FUND, THE REPAYMENT
13 SUBACCOUNT, OR A SUBACCOUNT OF THE BOND FUND AT THE CLOSE OF A
14 FISCAL YEAR SHALL REMAIN IN THE BOND FUND AND SHALL NOT LAPSE OR
15 REVERT TO THE GENERAL FUND.

16 SEC. 88G. (1) AFTER THE ISSUANCE OF THE BONDS AUTHORIZED BY
17 THIS CHAPTER, THERE SHALL BE EXPENDED FROM THE REPAYMENT SUBACCOUNT
18 OF THE BOND FUND CREATED UNDER SECTION 88E A SUFFICIENT AMOUNT TO
19 PAY PROMPTLY, WHEN DUE, THE PRINCIPAL OF AND INTEREST ON ALL
20 OUTSTANDING BONDS AUTHORIZED BY THIS CHAPTER AND THE COSTS
21 INCIDENTAL TO THE PAYMENT OF THE BONDS.

22 (2) IF THE AMOUNT AVAILABLE IN THE REPAYMENT SUBACCOUNT FOR A
23 FISCAL YEAR IS NOT A SUFFICIENT AMOUNT UNDER SUBSECTION (1), OR A
24 SUFFICIENT EXPENDITURE UNDER SUBSECTION (1) IS NOT AUTHORIZED, THE
25 REMAINING AMOUNT NECESSARY TO PAY PROMPTLY, WHEN DUE, THE PRINCIPAL
26 OF AND INTEREST ON ALL OUTSTANDING BONDS AUTHORIZED BY THIS CHAPTER
27 AND THE COSTS INCIDENTAL TO THE PAYMENT OF THE BONDS SHALL BE

1 APPROPRIATED FROM THE GENERAL FUND.

2 (3) THE GOVERNOR SHALL INCLUDE THE APPROPRIATIONS PROVIDED FOR
3 IN SUBSECTION (2), IF NECESSARY, IN HIS OR HER ANNUAL EXECUTIVE
4 BUDGET RECOMMENDATIONS TO THE LEGISLATURE.

5 SEC. 88H. (1) THE PROCEEDS OF BONDS ISSUED UNDER THIS CHAPTER,
6 DEPOSITED INTO THE BOND FUND, AND APPROPRIATED AS PROVIDED BY LAW
7 SHALL BE ALLOCATED BY THE FUND FOR PURPOSES AUTHORIZED UNDER
8 SECTION 88I, COMMITTED BY THE FUND FOR PURPOSES OF BOND ISSUANCE,
9 AND EXPENDED BY THE FUND FOR ACTIVITIES OR PROGRAMS TO ENCOURAGE
10 THE DEVELOPMENT OF COMPETITIVE EDGE TECHNOLOGY IN THIS STATE.

11 (2) THE FUND SHALL NOT ALLOCATE MORE THAN 20% OF THE TOTAL
12 PROCEEDS OF BONDS AUTHORIZED UNDER THIS CHAPTER IN THE CALENDAR
13 YEAR IMMEDIATELY FOLLOWING THE ADOPTION OF THE AMENDATORY ACT THAT
14 ADDED THIS CHAPTER. AFTER THE CALENDAR YEAR IMMEDIATELY FOLLOWING
15 THE ADOPTION OF THE AMENDATORY ACT THAT ADDED THIS CHAPTER, THE
16 FUND SHALL NOT ALLOCATE MORE THAN 10% OF THE TOTAL PROCEEDS OF
17 BONDS AUTHORIZED UNDER THIS CHAPTER IN ANY CALENDAR YEAR. THE
18 ALLOCATION LIMITS ESTABLISHED UNDER THIS SUBSECTION ARE CUMULATIVE
19 AND MAY CARRY FORWARD TO A FUTURE CALENDAR YEAR IF THE ALLOCATION
20 IS NOT FULLY EXPENDED.

21 (3) NOT MORE THAN 10% OF THE TOTAL PROCEEDS OF BONDS
22 AUTHORIZED UNDER THIS CHAPTER MAY BE EXPENDED BY THE FUND TO
23 SUPPORT BASIC RESEARCH IN COMPETITIVE EDGE TECHNOLOGIES.

24 (4) NOT LESS THAN 20% AND NOT MORE THAN 35% OF THE TOTAL
25 PROCEEDS OF BONDS AUTHORIZED UNDER THIS CHAPTER MAY BE EXPENDED BY
26 THE FUND TO SUPPORT LIFE SCIENCES TECHNOLOGY.

27 (5) NOT MORE THAN 15% OF THE TOTAL PROCEEDS OF BONDS

1 AUTHORIZED UNDER THIS CHAPTER MAY BE EXPENDED BY THE FUND FOR
2 QUALIFIED INVESTMENTS UNDER SECTION 88I(1)(E).

3 (6) FOR PURPOSES OF SUBSECTIONS (3) TO (5), THE PROCEEDS OF
4 BONDS AUTHORIZED UNDER THIS CHAPTER SHALL INCLUDE BONDS ISSUED AND
5 DELIVERED UNDER SECTION 88B(6) TO ANY PERSON IN WHICH BOND PROCEEDS
6 MAY BE INVESTED OR DEPOSITED UNDER THIS CHAPTER.

7 (7) BOND PROCEEDS DEPOSITED INTO THE BOND FUND MAY BE USED BY
8 THE DEPARTMENT OF TREASURY TO PAY FOR THE COST OF ISSUING BONDS
9 UNDER THIS CHAPTER, INCLUDING, BUT NOT LIMITED TO, COSTS INCURRED
10 UNDER SECTION 88B(3).

11 (8) NOT MORE THAN 3% OF THE TOTAL AMOUNT OF THE BONDS
12 AUTHORIZED UNDER THIS CHAPTER SHALL BE AVAILABLE FOR APPROPRIATION
13 TO THE FUND TO PAY ITS COSTS AND THE COSTS OF THE MEDC DIRECTLY
14 ASSOCIATED WITH THE ADMINISTRATION OF THIS CHAPTER. THE 3%
15 LIMITATION UNDER THIS SUBSECTION DOES NOT APPLY TO COSTS UNDER
16 SUBSECTION (7).

17 SEC 88I. (1) MONEY IN THE BOND FUND THAT IS AVAILABLE FOR
18 ALLOCATION BY THE FUND UNDER SECTION 88H SHALL BE ALLOCATED
19 ANNUALLY BY THE BOARD AND EXPENDED AS AUTHORIZED BY THE BOARD FOR
20 THE FOLLOWING PURPOSES:

21 (A) A PROGRAM ESTABLISHED BY THE FUND TO PROVIDE GRANTS FOR
22 BASIC AND APPLIED RESEARCH IN COMPETITIVE EDGE TECHNOLOGIES AT
23 INSTITUTIONS OF HIGHER EDUCATION, MICHIGAN NONPROFIT RESEARCH
24 INSTITUTES, OR QUALIFIED BUSINESSES, INCLUDING, BUT NOT LIMITED TO,
25 1 OR MORE OF THE FOLLOWING:

26 (i) RESEARCH TARGETED TO DEVELOPING COMPETITIVE EDGE TECHNOLOGY
27 RESEARCH CAPACITY IN THIS STATE.

1 (ii) FOSTERING WORLD-CLASS CENTERS OF EXCELLENCE IN COMPETITIVE
2 EDGE TECHNOLOGY IN THIS STATE.

3 (iii) DEVELOPING COMPETITIVE EDGE TECHNOLOGIES IN THIS STATE
4 WITH STRONG POTENTIAL FOR COMMERCIALIZATION.

5 (iv) DEVELOPING OR IMPROVING FACILITIES FOR COMPETITIVE EDGE
6 TECHNOLOGY RESEARCH IN THIS STATE.

7 (B) A PROGRAM ESTABLISHED BY THE FUND TO PROVIDE GRANTS TO
8 INSTITUTIONS OF HIGHER EDUCATION, MICHIGAN NONPROFIT RESEARCH
9 INSTITUTES, AND QUALIFIED BUSINESSES FOR COMMERCIALIZATION
10 OPPORTUNITIES AIMED AT GROWING COMPETITIVE EDGE TECHNOLOGY
11 COMPANIES IN THIS STATE.

12 (C) A PROGRAM ESTABLISHED BY THE FUND TO PROVIDE GRANTS TO
13 INSTITUTIONS OF HIGHER EDUCATION, MICHIGAN NONPROFIT RESEARCH
14 INSTITUTES, AND QUALIFIED BUSINESSES TO ATTRACT AND RETAIN
15 SCIENTIFIC TALENT IN COMPETITIVE EDGE TECHNOLOGY OR RELATED
16 BUSINESS TALENT.

17 (D) A PROGRAM ESTABLISHED BY THE FUND TO PROVIDE GRANTS TO
18 INSTITUTIONS OF HIGHER EDUCATION, MICHIGAN NONPROFIT RESEARCH
19 INSTITUTES, OR QUALIFIED BUSINESSES TO SERVE AS A MATCH TO PROMOTE
20 OR SECURE THE AWARD AND RECEIPT OF COMPETITIVELY AWARDED FEDERAL
21 RESEARCH GRANTS RELATED TO COMPETITIVE EDGE TECHNOLOGY. MATCHING
22 PAYMENTS AUTHORIZED UNDER THIS PROGRAM SHALL NOT EXCEED 10% OF THE
23 AMOUNT OF FEDERAL RESEARCH GRANTS RECEIVED.

24 (E) A PROGRAM ESTABLISHED BY THE FUND TO MAKE QUALIFIED
25 INVESTMENTS IN QUALIFIED BUSINESSES. THE PROGRAM SHALL PROVIDE FOR
26 THE FUND TO CONTRACT WITH AN INVESTMENT MANAGEMENT COMPANY TO MAKE
27 QUALIFIED INVESTMENTS IN QUALIFIED BUSINESSES ON BEHALF OF THE

1 FUND. THE INVESTMENT MANAGEMENT COMPANY SHALL ASSURE A RETURN ON
2 THE FUND'S INVESTMENT SIMILAR TO OTHER INVESTORS IN THE QUALIFIED
3 BUSINESS AS DETERMINED BY THE INVESTMENT MANAGEMENT COMPANY.

4 (F) ALL OTHER THINGS NECESSARY TO PROMOTE AND FINANCE THE
5 DEVELOPMENT AND COMMERCIALIZATION OF COMPETITIVE EDGE TECHNOLOGY IN
6 THIS STATE.

7 (2) THE BOARD SHALL REQUEST ADVICE FROM THE STEERING COMMITTEE
8 BEFORE EXPENDING FUNDS FOR AN ACTIVITY AUTHORIZED IN SUBSECTION
9 (1) (A) AND (B). THE FUND SHALL NOT MAKE A QUALIFIED INVESTMENT IN A
10 QUALIFIED BUSINESS UNLESS RECOMMENDED BY AN INDEPENDENT JOB
11 CREATION EXPERT SELECTED BY THE STEERING COMMITTEE AND APPROVED BY
12 THE BOARD.

13 (3) ALL PROGRAMS ESTABLISHED BY THE FUND UNDER THIS CHAPTER
14 SHALL BE ADMINISTERED BY THE MEDC. PROGRAMS OR ACTIVITIES
15 AUTHORIZED UNDER THIS CHAPTER SHALL NOT BE CONSIDERED A PROJECT, AN
16 ECONOMIC DEVELOPMENT PROJECT, OR A PRODUCT ASSISTED BY THE FUND FOR
17 PURPOSES OF CHAPTER 1 OR 2.

18 (4) THE BOARD SHALL ESTABLISH STANDARDS TO ENSURE THAT MONEY
19 EXPENDED UNDER THIS CHAPTER WILL RESULT IN ECONOMIC BENEFIT TO THIS
20 STATE AND ENSURE THAT A MAJOR SHARE OF THE BUSINESS ACTIVITY
21 RESULTING FROM THE EXPENDITURES OCCURS IN THIS STATE. IT IS THE
22 INTENT OF THE LEGISLATURE THAT A MAJORITY OF THE ECONOMIC BENEFITS
23 AND JOB CREATION RESULTING FROM MONEY EXPENDED UNDER THIS CHAPTER
24 SHALL ACCRUE WITHIN THIS STATE.

25 (5) THE BOARD IN DEVELOPING PROGRAMS UNDER THIS CHAPTER SHALL
26 ENCOURAGE COLLABORATION AMONG 2 OR MORE OF THE FOLLOWING:

27 (A) INSTITUTIONS OF HIGHER EDUCATION.

1 (B) MICHIGAN NONPROFIT RESEARCH INSTITUTES.

2 (C) QUALIFIED BUSINESSES.

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

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

9 (B) THE DEVELOPMENT OF A CASINO REGULATED BY THIS STATE UNDER
10 THE MICHIGAN GAMING CONTROL AND REVENUE ACT, THE INITIATED LAW OF
11 1996, MCL 432.201 TO 432.226, A CASINO AT WHICH GAMING IS CONDUCTED
12 UNDER THE INDIAN GAMING REGULATORY ACT, PUBLIC LAW 100-497, 102
13 STAT. 2467, OR PROPERTY ASSOCIATED OR AFFILIATED WITH THE OPERATION
14 OF EITHER TYPE OF CASINO DESCRIBED IN THIS SUBDIVISION, INCLUDING,
15 BUT NOT LIMITED TO, A PARKING LOT, HOTEL, MOTEL, OR RETAIL STORE.

16 (7) THE BOARD SHALL ESTABLISH STANDARDS TO PREVENT MONEY
17 EXPENDED UNDER THIS SECTION FROM BEING USED FOR 1 OR MORE OF THE
18 FOLLOWING:

19 (A) GRANTS TO OR INVESTMENTS IN A PERSON WHO HAS BEEN
20 CONVICTED OF A CRIMINAL OFFENSE INCIDENT TO THE APPLICATION FOR OR
21 PERFORMANCE OF A STATE CONTRACT OR SUBCONTRACT.

22 (B) GRANTS TO OR INVESTMENTS IN A PERSON WHO HAS BEEN
23 CONVICTED OF A CRIMINAL OFFENSE, OR HELD LIABLE IN A CIVIL
24 PROCEEDING, THAT NEGATIVELY REFLECTS ON THE PERSON'S BUSINESS
25 INTEGRITY, INCLUDING EMBEZZLEMENT, THEFT, FORGERY, BRIBERY,
26 FALSIFICATION OR DESTRUCTION OF RECORDS, RECEIVING STOLEN PROPERTY,
27 AND STATE OR FEDERAL ANTITRUST STATUTES.

1 (C) GRANTS, INVESTMENTS, OR OTHER ASSISTANCE TO A BUSINESS
2 ENTERPRISE CURRENTLY LOCATED IN THE UNITED STATES FOR THE PURPOSE
3 OF INDUCING THE ENTERPRISE TO RELOCATE OUTSIDE THE UNITED STATES IF
4 THE INCENTIVE OR INDUCEMENT IS LIKELY TO REDUCE THE NUMBER OF
5 EMPLOYEES OF THE BUSINESS ENTERPRISE IN THE UNITED STATES BECAUSE
6 UNITED STATES PRODUCTION IS BEING REPLACED BY THE ENTERPRISE
7 OUTSIDE THE UNITED STATES.

8 (D) GRANTS, INVESTMENTS, OR OTHER ASSISTANCE TO A BUSINESS
9 ENTERPRISE CURRENTLY LOCATED IN THIS STATE FOR THE PURPOSE OF
10 INDUCING THE ENTERPRISE TO RELOCATE OUTSIDE THIS STATE IF THE
11 INCENTIVE OR INDUCEMENT IS LIKELY TO REDUCE THE NUMBER OF EMPLOYEES
12 OF THE BUSINESS ENTERPRISE IN THIS STATE BECAUSE PRODUCTION IN THIS
13 STATE IS BEING REPLACED BY THE ENTERPRISE OUTSIDE THIS STATE.

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

19 (F) GRANTS TO OR AN INVESTMENT IN A CORPORATION OR AN
20 AFFILIATE OF THE CORPORATION INCORPORATED IN A TAX HAVEN COUNTRY
21 AFTER SEPTEMBER 11, 2001, BUT WITH THE UNITED STATES AS THE
22 PRINCIPAL MARKET FOR THE PUBLIC TRADING OF THE CORPORATION'S STOCK,
23 AS DETERMINED BY THE BOARD. AS USED IN THIS SECTION, "TAX HAVEN
24 COUNTRY" INCLUDES A COUNTRY WITH TAX LAWS THAT FACILITATE AVOIDANCE
25 BY A CORPORATION OR AN AFFILIATE OF THE CORPORATION OF UNITED
26 STATES TAX OBLIGATIONS, INCLUDING BARBADOS, BERMUDA, BRITISH VIRGIN
27 ISLANDS, CAYMAN ISLANDS, COMMONWEALTH OF THE BAHAMAS, CYPRUS,

1 GIBRALTAR, ISLE OF MAN, THE PRINCIPALITY OF LIECHTENSTEIN, THE
2 PRINCIPALITY OF MONACO, AND THE REPUBLIC OF THE SEYCHELLES.

3 (8) THE PROCEEDS OF BONDS AUTHORIZED UNDER THIS CHAPTER SHALL
4 ONLY BE EXPENDED BY THE FUND PURSUANT TO AN APPROPRIATION
5 AUTHORIZED BY LAW WITH THE ASSENT OF A MAJORITY OF THE MEMBERS
6 ELECTED TO AND SERVING IN EACH HOUSE OF THE LEGISLATURE.

7 (9) IN ADDITION TO ANY AUDIT REQUIREMENTS UNDER SECTION 9, NOT
8 LATER THAN MAY 15 OF EACH YEAR THE FUND SHALL COMMISSION A
9 CERTIFIED PUBLIC ACCOUNTING FIRM TO CONDUCT AN INDEPENDENT AUDIT OF
10 FUND ACTIVITIES FUNDED WITH THE PROCEEDS OF BONDS AUTHORIZED UNDER
11 THIS CHAPTER. THE RESULTS OF THE INDEPENDENT AUDIT SHALL BE
12 PUBLISHED ON THE INTERNET OR BY OTHER MEANS DETERMINED BY THE BOARD
13 IN A MANNER DESIGNED TO ADVISE THE CITIZENS OF THIS STATE OF THE
14 RESULTS OF THE INDEPENDENT AUDIT.

15 (10) IN ADDITION TO ANY REPORTING REQUIREMENTS UNDER SECTION
16 9, NOT LATER THAN DECEMBER 31 OF EACH YEAR, THE FUND SHALL SUBMIT A
17 LIST OF ACTIVITIES FUNDED UNDER THIS CHAPTER TO THE GOVERNOR, THE
18 CLERK OF THE HOUSE OF REPRESENTATIVES, AND THE SECRETARY OF THE
19 SENATE.

20 SEC. 88J. (1) THE JOBS FOR MICHIGAN RESEARCH AND
21 COMMERCIALIZATION STEERING COMMITTEE IS CREATED AS AN ADVISORY BODY
22 WITHIN THE FUND TO PROVIDE THE FUND WITH ADVICE AND REVIEW OF THE
23 PROGRAMS ESTABLISHED BY THE FUND UNDER SECTION 88I(1)(A) OR (B) TO
24 SUPPORT RESEARCH AND COMMERCIALIZATION, INCLUDING POTENTIAL
25 BUSINESS COMMERCIALIZATION OPPORTUNITIES IN COMPETITIVE EDGE
26 TECHNOLOGIES, WITH THAT ADVICE PROVIDED ONLY AFTER REVIEW BY AN
27 INDEPENDENT JOB CREATION EXPERT, TO SELECT INDEPENDENT JOB CREATION

1 EXPERTS FOR APPROVAL BY THE BOARD, AND TO PROVIDE OTHER ADVICE
2 RELATED TO ACTIVITIES UNDER THIS CHAPTER AS REQUESTED BY THE BOARD.
3 THE STEERING COMMITTEE SHALL SELECT, WITH THE APPROVAL OF THE
4 BOARD, INDEPENDENT JOB CREATION EXPERTS TO ASSIST THE COMMITTEE AND
5 THE FUND IN FULFILLING THEIR RESPONSIBILITIES UNDER THIS CHAPTER.

6 (2) THE STEERING COMMITTEE SHALL CONSIST OF 19 MEMBERS, AS
7 PROVIDED UNDER SUBSECTIONS (3) AND (4).

8 (3) THE STEERING COMMITTEE SHALL INCLUDE EACH OF THE 3
9 FOLLOWING EX OFFICIO MEMBERS:

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

13 (B) THE CHIEF EXECUTIVE OFFICER OF THE MEDC OR HIS OR HER
14 DESIGNEE FROM WITHIN THE MEDC.

15 (C) THE STATE TREASURER OR HIS OR HER DESIGNEE FROM WITHIN THE
16 DEPARTMENT OF TREASURY.

17 (4) THE STEERING COMMITTEE SHALL INCLUDE THE FOLLOWING 16
18 MEMBERS APPOINTED BY THE GOVERNOR:

19 (A) A MEMBER REPRESENTING MICHIGAN STATE UNIVERSITY.

20 (B) A MEMBER REPRESENTING THE UNIVERSITY OF MICHIGAN.

21 (C) A MEMBER REPRESENTING WAYNE STATE UNIVERSITY.

22 (D) A MEMBER REPRESENTING WESTERN MICHIGAN UNIVERSITY.

23 (E) A MEMBER REPRESENTING MICHIGAN TECHNOLOGICAL UNIVERSITY.

24 (F) A MEMBER REPRESENTING A PUBLIC UNIVERSITY IN MICHIGAN
25 OTHER THAN MICHIGAN STATE UNIVERSITY, THE UNIVERSITY OF MICHIGAN,
26 WAYNE STATE UNIVERSITY, WESTERN MICHIGAN UNIVERSITY, OR MICHIGAN
27 TECHNOLOGICAL UNIVERSITY.

1 (G) A MEMBER REPRESENTING THE VAN ANDEL INSTITUTE OR A
2 SUCCESSOR ORGANIZATION.

3 (H) SIX MEMBERS REPRESENTING QUALIFIED BUSINESSES OR PERSONS
4 WITH BUSINESS, TECHNOLOGICAL, OR FINANCIAL EXPERTISE RELATED TO
5 COMPETITIVE EDGE TECHNOLOGIES.

6 (I) THREE MEMBERS OF THE GENERAL PUBLIC.

7 (5) OF THE MEMBERS OF THE STEERING COMMITTEE INITIALLY
8 APPOINTED UNDER SUBSECTION (4), 4 MEMBERS SHALL BE APPOINTED FOR
9 TERMS EXPIRING ON DECEMBER 31, 2006, 4 MEMBERS SHALL BE APPOINTED
10 FOR TERMS EXPIRING ON DECEMBER 31, 2007, 4 MEMBERS SHALL BE
11 APPOINTED FOR TERMS EXPIRING ON DECEMBER 31, 2008, AND 4 MEMBERS
12 SHALL BE APPOINTED FOR TERMS EXPIRING ON DECEMBER 31, 2009. AFTER
13 THE EXPIRATION OF THE INITIAL APPOINTMENT TERMS PROVIDED FOR BY
14 THIS SUBSECTION, MEMBERS OF THE STEERING COMMITTEE SHALL BE
15 APPOINTED FOR TERMS OF 4 YEARS.

16 (6) FOR MEMBERS OF THE STEERING COMMITTEE APPOINTED UNDER
17 SUBSECTION (4), A VACANCY ON THE STEERING COMMITTEE OCCURRING OTHER
18 THAN BY EXPIRATION OF A TERM SHALL BE FILLED IN THE SAME MANNER AS
19 THE ORIGINAL APPOINTMENT FOR THE BALANCE OF THE UNEXPIRED TERM. A
20 MEMBER OF THE STEERING COMMITTEE SHALL HOLD OFFICE UNTIL A
21 SUCCESSOR HAS BEEN APPOINTED AND QUALIFIED. A MEMBER OF THE
22 STEERING COMMITTEE IS ELIGIBLE FOR REAPPOINTMENT.

23 (7) THE GOVERNOR SHALL DESIGNATE 1 OF THE MEMBERS OF THE
24 STEERING COMMITTEE TO SERVE AS ITS CHAIRPERSON AT THE PLEASURE OF
25 THE GOVERNOR. THE STEERING COMMITTEE SHALL SELECT FROM AMONG ITS
26 MEMBERS A MEMBER TO SERVE AS VICE-CHAIRPERSON AND A MEMBER TO SERVE
27 AS SECRETARY. STAFF FROM THE FUND OR THE MEDC SHALL ASSIST THE

1 SECRETARY WITH RECORD-KEEPING RESPONSIBILITIES.

2 (8) UPON APPOINTMENT TO THE STEERING COMMITTEE UNDER THIS
3 SECTION AND UPON THE TAKING AND FILING OF THE CONSTITUTIONAL OATH
4 OF OFFICE PRESCRIBED IN SECTION 1 OF ARTICLE XI OF THE STATE
5 CONSTITUTION OF 1963, A MEMBER SHALL ENTER THE OFFICE AND EXERCISE
6 THE DUTIES OF THE OFFICE.

7 (9) MEMBERS OF THE STEERING COMMITTEE SHALL SERVE WITHOUT
8 COMPENSATION, BUT MAY BE REIMBURSED FOR ACTUAL AND NECESSARY
9 EXPENSES.

10 (10) UPON THE APPOINTMENT OF MEMBERS UNDER THIS SECTION, THE
11 STEERING COMMITTEE SHALL ORGANIZE AND ADOPT ITS OWN POLICIES,
12 PROCEDURES, SCHEDULE OF REGULAR MEETINGS, AND A REGULAR MEETING
13 DATE, PLACE, AND TIME.

14 (11) THE STEERING COMMITTEE MAY ACT ONLY BY RESOLUTION
15 APPROVED BY A MAJORITY OF STEERING COMMITTEE MEMBERS APPOINTED AND
16 SERVING. A MAJORITY OF THE MEMBERS OF THE STEERING COMMITTEE THEN
17 IN OFFICE SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF
18 BUSINESS. THE STEERING COMMITTEE SHALL MEET IN PERSON OR BY MEANS
19 OF ELECTRONIC COMMUNICATION DEVICES THAT ENABLE ALL PARTICIPANTS IN
20 THE MEETING TO COMMUNICATE WITH EACH OTHER.

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

26 SEC. 88K. (1) MEMBERS OF THE STEERING COMMITTEE AND OF THE
27 BOARD ARE CONSIDERED PUBLIC SERVANTS SUBJECT TO 1968 PA 317, MCL

1 15.321 TO 15.330, AND PUBLIC OFFICERS SUBJECT TO 1973 PA 196, MCL
2 15.341 TO 15.348. A MEMBER OF THE STEERING COMMITTEE AND OF THE
3 BOARD SHALL DISCHARGE THE DUTIES OF THE POSITION IN A NONPARTISAN
4 MANNER, IN GOOD FAITH, IN THE BEST INTERESTS OF THE FUND, AND WITH
5 THE DEGREE OF DILIGENCE, CARE, AND SKILL THAT AN ORDINARILY PRUDENT
6 PERSON WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES IN A LIKE
7 POSITION. IN DISCHARGING DUTIES OF THE OFFICE, A MEMBER OF THE
8 STEERING COMMITTEE AND OF THE BOARD WHEN ACTING IN GOOD FAITH MAY
9 RELY UPON THE REPORT OF AN INDEPENDENT APPRAISER OR INDEPENDENT JOB
10 CREATION EXPERT OR UPON FINANCIAL STATEMENTS OF THE FUND
11 REPRESENTED TO THE MEMBER OF THE STEERING COMMITTEE OR OF THE BOARD
12 BY THE OFFICER OF THE FUND HAVING CHARGE OF ITS BOOKS OR ACCOUNTS
13 OR STATED IN A WRITTEN REPORT BY THE AUDITOR GENERAL OR A CERTIFIED
14 PUBLIC ACCOUNTANT OR A FIRM OF ACCOUNTANTS TO FAIRLY REFLECT THE
15 FINANCIAL CONDITION OF THE FUND.

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

21 (3) AN INDEPENDENT JOB CREATION EXPERT, OTHER THAN AN
22 INVESTMENT MANAGEMENT COMPANY UTILIZED BY THE FUND, SELECTED BY THE
23 STEERING COMMITTEE AND APPROVED BY THE BOARD SHALL NOT HAVE ANY
24 FINANCIAL INTEREST IN A RECIPIENT OF BOND PROCEEDS UNDER THIS
25 CHAPTER.

26 SEC. 88/. (1) A RECORD PREPARED, OWNED, USED, IN THE POSSESSION
27 OF, OR RETAINED BY THE FUND, THE STEERING COMMITTEE, OR THE MEDC IN

1 THE PERFORMANCE OF AN OFFICIAL FUNCTION UNDER THIS CHAPTER SHALL BE
2 AVAILABLE TO THE PUBLIC IN COMPLIANCE WITH THE FREEDOM OF
3 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, UNLESS
4 OTHERWISE PROVIDED BY LAW.

5 (2) NOTWITHSTANDING SUBSECTION (1), THE FOLLOWING RECORDS ARE
6 EXEMPT FROM DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976
7 PA 442, MCL 15.231 TO 15.246:

8 (A) PERSONNEL, MEDICAL, OR SIMILAR RECORDS, THE DISCLOSURE OF
9 WHICH WOULD CONSTITUTE AN UNWARRANTED INVASION OF PRIVACY.

10 (B) A RECORD CONTAINING OR REFLECTING CONFIDENTIAL
11 INTELLECTUAL PROPERTY OR WORK PRODUCT, WHETHER PATENTABLE OR NOT,
12 INCLUDING, BUT NOT LIMITED TO, ANY FORMULA PLAN, PATTERN, PROCESS,
13 TOOL, MECHANISM, COMPOUND, PROCEDURE, PRODUCTION DATA, OR
14 COMPILATION OF INFORMATION THAT IS NOT PATENTED, THAT IS KNOWN ONLY
15 TO CERTAIN INDIVIDUALS WHO ARE USING IT TO FABRICATE, PRODUCE, OR
16 COMPOUND AN ARTICLE OF TRADE OR A SERVICE HAVING COMMERCIAL VALUE
17 AND THAT GIVES ITS USER AN OPPORTUNITY TO OBTAIN A BUSINESS
18 ADVANTAGE OVER COMPETITORS WHO DO NOT KNOW OR USE IT.

19 (C) SCIENTIFIC WORKING PAPERS OR UNPUBLISHED RESEARCH DATA.

20 (3) UNLESS OTHERWISE REQUIRED BY LAW, THE FUND, THE STEERING
21 COMMITTEE, AND THE MEDC SHALL NOT DISCLOSE FINANCIAL OR PROPRIETARY
22 INFORMATION EXEMPT FROM DISCLOSURE AS PROVIDED BY LAW WITHOUT THE
23 CONSENT OF THE PERSON SUBMITTING THE INFORMATION.

24 (4) SUBJECT TO SUBSECTION (5), A RECORD RECEIVED, PREPARED,
25 USED, OR RETAINED BY AN INVESTMENT FIDUCIARY IN CONNECTION WITH AN
26 INVESTMENT OR POTENTIAL INVESTMENT OF THE FUND THAT RELATES TO
27 INVESTMENT INFORMATION PERTAINING TO A PORTFOLIO COMPANY IN WHICH

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

12 (A) THE NAME OF EACH PORTFOLIO COMPANY IN WHICH THE FUND
13 INVESTED DURING THE REPORTING PERIOD.

14 (B) THE AGGREGATE AMOUNT OF MONEY INVESTED BY THE FUND IN
15 PORTFOLIO COMPANIES DURING THE REPORTING PERIOD.

16 (5) IF A RECORD DESCRIBED IN SUBSECTION (4) IS AN AGREEMENT OR
17 INSTRUMENT TO WHICH AN INVESTMENT FIDUCIARY IS A PARTY, ONLY THOSE
18 PARTS OF THE RECORD THAT CONTAIN INVESTMENT INFORMATION ARE EXEMPT
19 FROM THE DISCLOSURE REQUIREMENTS OF THE FREEDOM OF INFORMATION ACT,
20 1976 PA 442, MCL 15.231 TO 15.246.

21 (6) AS USED IN THIS SECTION:

22 (A) "FINANCIAL OR PROPRIETARY INFORMATION" MEANS INFORMATION
23 THAT HAS NOT BEEN PUBLICLY DISSEMINATED OR IS UNAVAILABLE FROM
24 OTHER SOURCES, THE RELEASE OF WHICH MIGHT CAUSE THE PERSON
25 SIGNIFICANT COMPETITIVE HARM.

26 (B) "INTELLECTUAL PROPERTY" MEANS ALL ORIGINAL DATA, FINDINGS,
27 OR OTHER PRODUCTS OF THE MIND OR INTELLECT COMMONLY ASSOCIATED WITH

1 CLAIMS, INTERESTS, AND RIGHTS THAT ARE PROTECTED UNDER TRADE
2 SECRET, PATENT, TRADEMARK, COPYRIGHT, OR UNFAIR COMPETITION LAW.

3 (C) "INVESTMENT" MEANS THE UTILIZATION OF MONEY OR OTHER
4 ASSETS IN THE EXPECTATION OF FUTURE RETURNS IN THE FORM OF INCOME
5 OR CAPITAL GAIN.

6 (D) "INVESTMENT FIDUCIARY" MEANS A PERSON WHO EXERCISES ANY
7 DISCRETIONARY AUTHORITY OR CONTROL OVER A QUALIFIED INVESTMENT
8 AUTHORIZED UNDER THIS CHAPTER OR RENDERS INVESTMENT ADVICE TO THE
9 FUND OR TO THE MEDC FOR A FEE OR OTHER DIRECT OR INDIRECT
10 COMPENSATION.

11 (E) "INVESTMENT INFORMATION" MEANS INFORMATION THAT HAS NOT
12 BEEN PUBLICLY DISSEMINATED OR THAT IS UNAVAILABLE FROM OTHER
13 SOURCES, THE RELEASE OF WHICH MIGHT CAUSE A QUALIFIED BUSINESS OR
14 AN INVESTMENT FIDUCIARY SIGNIFICANT COMPETITIVE HARM. INVESTMENT
15 INFORMATION INCLUDES, BUT IS NOT LIMITED TO, FINANCIAL PERFORMANCE
16 DATA AND PROJECTIONS, FINANCIAL STATEMENTS, LIST OF COINVESTORS AND
17 THEIR LEVEL OF INVESTMENT, PRODUCT AND MARKET DATA, RENT ROLLS, AND
18 LEASES.

19 (F) "PORTFOLIO COMPANY" MEANS AN ENTITY IN WHICH AN INVESTMENT
20 FIDUCIARY HAS MADE OR CONSIDERED AN INVESTMENT ON BEHALF OF THE
21 FUND.

22 (G) "TRADE SECRET" MEANS INFORMATION CONSISTING OF A VALUABLE
23 UNPATENTED FORMULA, PATTERN, DEVICE, OR PROCESS, OR OTHER
24 INFORMATION THAT IS USED IN A BUSINESS AND GIVES THE POSSESSOR OF
25 THE INFORMATION A COMPETITIVE ADVANTAGE OVER THOSE WHO DO NOT KNOW
26 OR USE THE INFORMATION, AND FOR WHICH SUFFICIENT MEASURES HAVE BEEN
27 TAKEN TO GUARD THE SECRECY OF THE INFORMATION AND PRESERVE ITS

1 CONFIDENTIALITY, AND THAT DOES NOT ENCOMPASS INFORMATION THAT IS
2 READILY ASCERTAINABLE BY COMPETITORS OR THE GENERAL PUBLIC WITHOUT
3 UNDUE DIFFICULTY OR HARDSHIP.

4 SEC. 88M. THE FUND IS PROHIBITED FROM IMPOSING, LEVYING, OR
5 INCREASING ANY TAX FOR ANY PURPOSE, INCLUDING, BUT NOT LIMITED TO,
6 PURPOSES AUTHORIZED UNDER THIS CHAPTER.

7 SEC. 88N. AS USED IN THIS CHAPTER:

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

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

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

16 (iii) MICROELECTROMECHANICAL SYSTEMS, INCLUDING DEVICES OR
17 SYSTEMS INTEGRATING MICROELECTRONICS WITH MECHANICAL PARTS AND A
18 SCALE MEASURED IN MICROMETERS.

19 (iv) IMPROVEMENTS TO MANUFACTURING OR PRODUCTION QUALITY,
20 PRODUCTIVITY, PROCESSES, OR ENVIRONMENTAL IMPACT.

21 (v) IMPROVEMENTS TO VEHICLE SAFETY, VEHICLE PERFORMANCE,
22 VEHICLE PRODUCTION, OR ENVIRONMENTAL IMPACT, INCLUDING, BUT NOT
23 LIMITED TO, VEHICLE EQUIPMENT AND COMPONENT PARTS.

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

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

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

5 (ix) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO A TECHNOLOGY
6 DESCRIBED UNDER THIS SUBDIVISION.

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

9 (i) COMPUTER HARDWARE AND SOFTWARE.

10 (ii) DATA COMMUNICATIONS.

11 (iii) INFORMATION TECHNOLOGIES.

12 (C) "ALTERNATIVE ENERGY TECHNOLOGY" MEANS 1 OR MORE OF THE
13 FOLLOWING:

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

17 (ii) DEVICES OR SYSTEMS DESIGNED AND USED SOLELY FOR THE
18 PURPOSE OF GENERATING ENERGY FROM AGRICULTURAL CROPS, RESIDUE AND
19 WASTE GENERATED FROM THE PRODUCTION AND PROCESSING OF AGRICULTURAL
20 PRODUCTS, ANIMAL WASTES, OR FOOD PROCESSING WASTES, NOT INCLUDING A
21 CONVENTIONAL GASOLINE OR DIESEL FUEL ENGINE OR RETROFITTED
22 CONVENTIONAL GASOLINE OR DIESEL FUEL ENGINE.

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

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

27 (v) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO A TECHNOLOGY

DESCRIBED UNDER THIS SUBDIVISION.

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

(E) "BASIC RESEARCH" MEANS ANY ORIGINAL INVESTIGATION FOR THE ADVANCEMENT OF SCIENTIFIC OR TECHNOLOGICAL KNOWLEDGE WITH POTENTIAL LONG-RANGE VALUE TO MOVE THIS STATE TOWARD A POSITION OF NATIONAL LEADERSHIP IN A SPECIFIC SCIENTIFIC OR TECHNOLOGICAL DISCIPLINE OR TO ENHANCE THE RESEARCH CAPACITY OF THIS STATE IN A WAY THAT INCREASES THE ABILITY TO ATTRACT TO OR DEVELOP COMPANIES, JOBS, RESEARCHERS, OR STUDENTS IN THIS STATE.

(F) "BOND FUND" MEANS THE JOBS FOR MICHIGAN ECONOMIC DEVELOPMENT AND DIVERSIFICATION BOND FUND CREATED UNDER SECTION 88E.

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

(i) LIFE SCIENCES TECHNOLOGY.

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

(iii) ALTERNATIVE ENERGY TECHNOLOGY.

(iv) HOMELAND SECURITY AND DEFENSE TECHNOLOGY.

(H) "ELECTRONIC DEVICE TECHNOLOGY" MEANS ANY TECHNOLOGY THAT INVOLVES MICROELECTRONICS, SEMICONDUCTORS, ELECTRONIC EQUIPMENT,

1 AND INSTRUMENTATION, RADIO FREQUENCY, MICROWAVE, AND MILLIMETER
2 ELECTRONICS AND OPTICAL AND OPTIC-ELECTRICAL DEVICES, OR DATA AND
3 DIGITAL COMMUNICATIONS AND IMAGING DEVICES.

4 (I) "GRANT" MEANS A GRANT, LOAN, CONVERTIBLE LOAN, OR
5 GUARANTEE.

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

13 (i) SENSORS, SYSTEMS, PROCESSES, OR EQUIPMENT FOR
14 COMMUNICATIONS, IDENTIFICATION AND AUTHENTICATION, SCREENING,
15 SURVEILLANCE, TRACKING, AND DATA ANALYSIS.

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

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

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

22 (K) "INSTITUTION OF HIGHER EDUCATION" MEANS AN INSTITUTION OF
23 HIGHER EDUCATION OR A COMMUNITY OR JUNIOR COLLEGE DESCRIBED IN
24 SECTION 4, 5, 6, OR 7 OF ARTICLE VIII OF THE STATE CONSTITUTION OF
25 1963.

26 (L) "JOBS FOR MICHIGAN BOND REPAYMENT SUBACCOUNT" OR "REPAYMENT
27 SUBACCOUNT" MEANS THE JOBS FOR MICHIGAN BOND REPAYMENT SUBACCOUNT

1 CREATED IN SECTION 88E.

2 (M) "INDEPENDENT JOB CREATION EXPERT" MEANS A PERSON OR
3 PERSONS SELECTED BY THE STEERING COMMITTEE AND APPROVED BY THE
4 BOARD WITH APPROPRIATE EXPERTISE TO CONDUCT AN INDEPENDENT,
5 UNBIASED, OBJECTIVE, AND COMPETITIVE EVALUATION OF ACTIVITIES
6 FUNDED UNDER THIS CHAPTER. INDEPENDENT JOB CREATION EXPERT INCLUDES
7 AN INVESTMENT MANAGEMENT COMPANY USED BY THE FUND TO MAKE QUALIFIED
8 INVESTMENTS IN QUALIFIED BUSINESSES AS AUTHORIZED UNDER SECTION
9 88I(1)(E). THE PERSON OR PERSONS SHALL DEMONSTRATE THE CAPABILITY
10 AND EXPERIENCE, AS APPROPRIATE OR NECESSARY FOR THE PARTICULAR
11 ACTIVITY FUNDED, TO DO ALL OF THE FOLLOWING:

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

14 (ii) EMPLOY PERSONNEL WITH APPROPRIATE BUSINESS, SCIENTIFIC,
15 TECHNICAL, OR OTHER SPECIALIZED EXPERTISE TO CARRY OUT EACH ASPECT
16 OF THE EVALUATION PROCESS.

17 (iii) PROVIDE RECOMMENDATIONS TO OR ASSIST THE STEERING
18 COMMITTEE OR FUND IN IDENTIFYING HIGH-QUALITY ACTIVITIES FOR
19 FUNDING THAT ARE LIKELY TO RESULT IN THE DEVELOPMENT AND
20 COMMERCIALIZATION OF COMPETITIVE EDGE TECHNOLOGY AND JOB CREATION
21 IN THIS STATE.

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

24 (N) "LIFE SCIENCES" MEANS SCIENCE FOR THE EXAMINATION OR
25 UNDERSTANDING OF LIFE OR LIFE PROCESSES, INCLUDING, BUT NOT LIMITED
26 TO, ALL OF THE FOLLOWING:

27 (i) BIOENGINEERING.

1 (ii) BIOMEDICAL ENGINEERING.

2 (iii) BIOGEOCHEMISTRY.

3 (iv) GENOMICS.

4 (v) PROTEOMICS.

5 (vi) MOLECULAR AND CHEMICAL ECOLOGY.

6 (vii) BIOTECHNOLOGY, INCLUDING ANY TECHNOLOGY THAT USES LIVING
7 ORGANISMS, CELLS, MACROMOLECULES, MICROORGANISMS, OR SUBSTANCES
8 FROM LIVING ORGANISMS TO MAKE OR MODIFY A PRODUCT FOR USEFUL
9 PURPOSES. BIOTECHNOLOGY OR LIFE SCIENCES DOES NOT INCLUDE ANY OF
10 THE FOLLOWING:

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

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

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

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

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

20 (O) "LIFE SCIENCES TECHNOLOGY" MEANS ANY TECHNOLOGY DERIVED
21 FROM LIFE SCIENCES INTENDED TO IMPROVE HUMAN HEALTH OR THE OVERALL
22 QUALITY OF HUMAN LIFE, INCLUDING, BUT NOT LIMITED TO, SYSTEMS,
23 PROCESSES, OR EQUIPMENT FOR DRUG OR GENE THERAPIES, BIOSENSORS,
24 TESTING, MEDICAL DEVICES OR INSTRUMENTATION WITH A THERAPEUTIC OR
25 DIAGNOSTIC VALUE, A PHARMACEUTICAL OR OTHER PRODUCT THAT REQUIRES
26 UNITED STATES FOOD AND DRUG ADMINISTRATION APPROVAL OR REGISTRATION
27 PRIOR TO ITS INTRODUCTION IN THE MARKETPLACE AND IS A DRUG OR

1 MEDICAL DEVICE AS DEFINED BY THE FEDERAL FOOD, DRUG, AND COSMETIC
2 ACT, 21 USC 301 TO 399, OR 1 OR MORE OF THE FOLLOWING:

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

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

7 (iii) PRODUCT RESEARCH AND DEVELOPMENT RELATED TO A TECHNOLOGY
8 DESCRIBED UNDER THIS SUBDIVISION.

9 (P) "MICHIGAN ECONOMIC DEVELOPMENT CORPORATION" OR "MEDC"
10 MEANS THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION, THE PUBLIC
11 BODY CORPORATE CREATED UNDER SECTION 28 OF ARTICLE VII OF THE STATE
12 CONSTITUTION OF 1963 AND THE URBAN COOPERATION ACT OF 1967, 1967
13 (EX SESS) PA 7, MCL 124.501 TO 124.512, BY A CONTRACTUAL INTERLOCAL
14 AGREEMENT EFFECTIVE APRIL 5, 1999, AND SUBSEQUENTLY AMENDED,
15 BETWEEN LOCAL PARTICIPATING ECONOMIC DEVELOPMENT CORPORATIONS
16 FORMED UNDER THE ECONOMIC DEVELOPMENT CORPORATIONS ACT, 1974 PA
17 338, MCL 125.1601 TO 125.1636, AND THE FUND.

18 (Q) "QUALIFIED BUSINESS" MEANS A MICHIGAN BUSINESS ENTITY THAT
19 DEVELOPS, MARKETS, OR COMMERCIALIZES COMPETITIVE EDGE TECHNOLOGY
20 PRODUCTS OR SERVICES.

21 (R) "QUALIFIED INVESTMENT" MEANS AN INVESTMENT IN A QUALIFIED
22 BUSINESS, OR A BUSINESS ENTITY INVESTING IN A QUALIFIED BUSINESS,
23 MADE BY THE BOARD BASED UPON REVIEW AND RECOMMENDATION OF 1 OR MORE
24 INDEPENDENT JOB CREATION EXPERTS, INCLUDING BY AN INVESTMENT
25 MANAGEMENT COMPANY CONTRACTED WITH BY THE BOARD UNDER SECTION 88I.
26 A QUALIFIED INVESTMENT DOES NOT INCLUDE A GRANT.

27 (S) "STATE ADMINISTRATIVE BOARD" MEANS THE BODY CREATED UNDER

1 1921 PA 2, MCL 17.1 TO 17.3, THAT EXERCISES GENERAL SUPERVISORY
2 CONTROL OVER THE FUNCTIONS AND ACTIVITIES OF ALL ADMINISTRATIVE
3 DEPARTMENTS, BOARDS, COMMISSIONERS, AND OFFICERS OF THE STATE AND
4 OF ALL STATE INSTITUTIONS.

5 (T) "STEERING COMMITTEE" MEANS THE JOBS FOR MICHIGAN RESEARCH
6 AND COMMERCIALIZATION STEERING COMMITTEE CREATED UNDER SECTION 88J.

7 SEC. 94. (1) THE GOVERNOR SHALL INQUIRE INTO THE
8 ADMINISTRATION OF THIS ACT.

9 (2) THE GOVERNOR MAY REMOVE OR SUSPEND ANY APPOINTIVE PUBLIC
10 OFFICER FOR VIOLATIONS OF THIS ACT.

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

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

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

19 SEC. 95. BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT
20 THAT ADDED THIS SECTION, ALL STATUTORY AND OTHER REFERENCES TO THE
21 MICHIGAN STRATEGIC FUND SHALL BE CONSIDERED REFERENCES TO THE JOBS
22 FOR MICHIGAN FUND AND STATUTORY AND OTHER REFERENCES TO THE
23 MICHIGAN STRATEGIC FUND ACT SHALL BE CONSIDERED REFERENCES TO THIS
24 ACT. NOTHING IN THE AMENDATORY ACT THAT ADDED THIS SECTION SHALL BE
25 CONSTRUED TO ALTER ANY RIGHTS, RESPONSIBILITIES, OR OBLIGATIONS OF
26 THE MICHIGAN STRATEGIC FUND, WHICH SHALL REMAIN THE RIGHTS,
27 RESPONSIBILITIES, AND OBLIGATIONS OF THE JOBS FOR MICHIGAN FUND.

1 Enacting section 1. This amendatory act does not take effect
2 unless Senate Joint Resolution C
3 of the 93rd Legislature becomes a part of
4 the state constitution of 1963 as provided in section 1 of article
5 XII of the state constitution of 1963.