

**MICHIGAN STRATEGIC FUND ACT (EXCERPT)**  
**Act 270 of 1984**

**CHAPTER 7**

**125.2071 Definitions.**

Sec. 71. As used in this chapter:

(a) "Economic development fund" means that fund to which the fund succeeded in ownership pursuant to section 22.

(b) "Research and development enterprise" means any person found by the fund to be engaged in a business which uses green chemistry as a design guidance, or the discovery of new substances and the refinement of known substances, processes, products, theories, and ideas, except for those persons whose businesses are directed primarily to the accumulation or analysis of commercial, financial, or mercantile data.

(c) "Research center fund" means that fund created by section 27 of former 1982 PA 70, to which the fund succeeds in ownership pursuant to section 76.

**History:** 1984, Act 270, Eff. Mar. 29, 1985;—Am. 2010, Act 271, Imd. Eff. Dec. 15, 2010.

**Compiler's note:** For transfer of the Michigan strategic fund from department of treasury to department of talent and economic development, and transfer of powers and duties of board of directors of Michigan strategic fund to new board of directors, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

**Popular name:** Strategic Fund

**125.2072 Center for research and development; establishment and operation.**

Sec. 72. The fund shall establish and operate a center for research and development.

**History:** 1984, Act 270, Eff. Mar. 29, 1985.

**Compiler's note:** For transfer of the Michigan strategic fund from department of treasury to department of talent and economic development, and transfer of powers and duties of board of directors of Michigan strategic fund to new board of directors, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

**Popular name:** Strategic Fund

**125.2073 Research center fund; payments into fund; transfer of money.**

Sec. 73. (1) The center for research and development shall be funded by the research center fund.

(2) The fund shall pay into the research center fund any money appropriated or otherwise provided by this state for the purposes of the center for research and development; any money determined by the fund to be paid into the research center fund from the economic development fund; any money paid into the research center fund pursuant to the heritage trust act of 1982, Act No. 327 of the Public Acts of 1982, being sections 318.421 to 318.434 of the Michigan Compiled Laws; any money which the fund receives in return for investments made through the center for research and development; and any other money made available to the fund for the purposes of the center from any other source, public or private.

(3) Money in the research center fund may be transferred into any other account or fund established or operated by the fund, unless the fund is otherwise obligated to retain the money in the research center fund or except if the money was appropriated by this state for the purposes of the center.

**History:** 1984, Act 270, Eff. Mar. 29, 1985.

**Popular name:** Strategic Fund

**125.2074 Research center fund; use of money; purpose; obligations of present or emerging technologies; purposes of financial aid; terms and conditions of financial aid; minimum financial aid grant; payment; tax exemption.**

Sec. 74. (1) The fund may utilize the money held in the research center fund to provide financial aid to nonprofit research and development enterprises that perform or cause to be performed, or both, research and development in present and emerging technology and in the application of that technology to business and industry.

(2) The present or emerging technologies that are provided financial aid should serve as a foundation for future job growth or retention in this state, encourage economic stability or diversification in this state, and establish this state as a center of excellence in high technology.

(3) Financial aid under this act may be provided for the purposes of designing and constructing new facilities, designing and rehabilitating existing facilities, acquiring an interest in real or personal property, providing working capital, which may include salaries, rent, supplies, inventory, accounts receivable, mortgage payments, legal costs, utility costs, telephone, travel, and other incidental costs normally classified as working capital according to standard accounting principles. Working capital financing grants provided by

the fund to a particular research and development enterprise shall not be granted for a period exceeding 10 years calculated from the effective date of the first grant to the expiration date of the last grant.

(4) Financial aid provided by the fund may be on those terms and conditions as the fund, in its sole discretion, shall determine to be reasonable, appropriate, and consistent with the purposes and objectives of the fund and this act.

(5) The minimum financial aid grant under this act shall be \$2,500,000.00 to be paid over the period of time as the fund shall specify in the grant unless this restriction is waived by a 2/3 vote of the members of the board.

(6) Personal property that is leased, owned, or used, or real property that is leased, subleased, or owned, by a nonprofit research and development enterprise that receives or has received financial benefit or support under this act, former 1982 PA 70, or section 117 of 2000 PA 291 in the amount of \$1,000,000.00 or more or that has received financial benefit or support in the amount of \$1,000,000.00 or more from an organization with tax-exempt status under section 501(c)(3) of the internal revenue code, 26 USC 501, that received financial benefit or support directly or indirectly under this act or section 117 of 2000 PA 291 is exempt from taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, while the property is leased, subleased, owned, used, or occupied by that nonprofit research and development enterprise solely for the purpose of performing or coordinating research and development or, through December 31, 2024, supporting research and development in present and emerging technology and of the application of that technology to business and industry and provided that the research and development enterprise retains its tax-exempt status under section 501(c)(3) of the internal revenue code, 26 USC 501.

**History:** 1984, Act 270, Eff. Mar. 29, 1985;—Am. 1987, Act 207, Imd. Eff. Dec. 22, 1987;—Am. 1987, Act 278, Imd. Eff. Jan. 6, 1988;—Am. 2006, Act 616, Imd. Eff. Jan. 3, 2007;—Am. 2020, Act 216, Imd. Eff. Oct. 15, 2020.

**Popular name:** Strategic Fund

#### **125.2075 Business plan.**

Sec. 75. In providing financial aid under this chapter, the fund shall require the preparation of a business plan following guidelines previously adopted by the fund and shall consider the amount of other capital funding and income sources available to assure the continued operation of the nonprofit research and development enterprise.

**History:** 1984, Act 270, Eff. Mar. 29, 1985.

**Popular name:** Strategic Fund

#### **125.2076 Scope of succession to rights, properties, obligations, and duties of Michigan economic development authority; payments in research center fund.**

Sec. 76. The succession of the fund to all rights, properties, obligations, and duties of the Michigan economic development authority pursuant to section 21 shall include succession to the ownership and operation of the research center fund, of all distributions pursuant to the heritage trust act of 1982, Act No. 327 of the Public Acts of 1982, being sections 318.421 to 318.434 of the Michigan Compiled Laws, to the Michigan economic development authority for deposit in the research center fund, and of all obligations, promises, covenants, commitments, and other requirements relating to the research center fund that were made by the Michigan economic development authority. Payments into the research center fund pursuant to Act No. 327 of the Public Acts of 1982 shall continue to be made as provided by that act upon and after the fund succeeds to ownership and operation of the research center fund.

**History:** 1984, Act 270, Eff. Mar. 29, 1985.

**Popular name:** Strategic Fund

#### **125.2077 Higher education coordination council; membership.**

Sec. 77. The fund shall appoint a higher education coordination council containing individuals representative of higher education institutions and having the necessary credentials to provide an inventory and advise the fund on the available research and development enterprises that are or will be established by higher education institutions and the application of that technology to business and industry.

**History:** 1984, Act 270, Eff. Mar. 29, 1985;—Am. 2006, Act 230, Imd. Eff. June 26, 2006.

**Popular name:** Strategic Fund

#### **125.2078 Service station matching grant program.**

Sec. 78. (1) The fund shall create and administer a service station matching grant program to provide incentives to owners and operators of service stations to convert existing fuel delivery systems and to create new fuel delivery systems designed to provide E85 fuel and biodiesel blends.

(2) The service station matching grant program shall provide for all the following:

(a) That a grant shall not exceed 75% of the costs to convert an existing fuel delivery system to provide E85 fuel or biodiesel blend, not to exceed \$3,000.00 per facility.

(b) That a grant shall not exceed 50% of the new construction costs to create a fuel delivery system to provide E85 fuel or biodiesel blend, not to exceed \$12,000.00 per facility for E85 fuel and \$4,000.00 per facility for biodiesel blend.

(c) A contractual provision requiring the grant recipient to repay a portion of the grant if the grant recipient stops using the fuel delivery system to provide E85 fuel or biodiesel blend within 3 years of receiving the grant, as determined by the fund. The portion of the grant to be repaid shall be calculated by multiplying the amount of the grant by a fraction, the numerator of which is the number of days that the fuel delivery system was not used to provide E85 fuel or biodiesel blend during that 3-year period and the denominator of which is 1,095.

(d) A single business entity is not eligible for more than 15% of the total amount of grants awarded each year under this subsection.

(e) The total amount of grants awarded each year under this subsection to facilities located in the same county shall not exceed 15% of the total amount of grants awarded each year under this subsection.

(3) The fund shall create and administer a bulk plant matching grant program to provide incentives to owners and operators of bulk plants to convert existing fuel delivery systems and to create new fuel delivery systems designed to provide biodiesel blends.

(4) The bulk plant matching grant program shall provide for all the following:

(a) That a grant shall not exceed 50% of the costs to convert an existing fuel delivery system to provide biodiesel blend, not to exceed \$2,000.00 per bulk plant.

(b) That a grant shall not exceed 50% of the new construction costs to create a fuel delivery system to provide biodiesel blend, not to exceed \$15,000.00 per bulk plant.

(c) A contractual provision requiring the grant recipient to repay a portion of the grant if the grant recipient stops using the fuel delivery system to provide biodiesel blend within 3 years of receiving the grant, as determined by the fund. The portion of the grant to be repaid shall be calculated by multiplying the amount of the grant by a fraction, the numerator of which is the number of days that the fuel delivery system was not used to provide biodiesel blend during that 3-year period and the denominator of which is 1,095.

(5) The fund shall initially fund the service station matching grant program and the bulk plant matching grant program with a combined amount of \$500,000.00, which may include federal sources, to be distributed on or before September 30, 2007.

(6) As used in this section:

(a) "Biodiesel" means a fuel composed of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, and, in accordance with standards specified by the American society for testing and materials, designated B100, and meeting the requirements of D-6751, as approved by the department of agriculture.

(b) "Biodiesel blend" means a fuel comprised of a blend of biodiesel fuel with petroleum-based diesel fuel, suitable for use as a fuel in a compression-ignition internal combustion diesel engine.

(c) "Bulk plant" means that term as defined in section 2 of the motor fuel tax act, 2000 PA 403, MCL 207.1002.

(d) "E85 fuel" means a fuel blend containing between 70% and 85% denatured fuel ethanol and gasoline suitable for use in a spark-ignition engine and that meets American society for testing and materials D-5798 specifications.

(e) "Facility" means an establishment at which gasoline is sold or offered for sale to the public.

**History:** Add. 2006, Act 274, Imd. Eff. July 7, 2006.

**Popular name:** Strategic Fund

## **125.2079 Location of renewable fuel plants; inventory of prime sites; availability on internet; assistance.**

Sec. 79. (1) The fund shall identify, publish, and market an inventory of prime sites for the location of renewable fuel plants with existing industrial facilities that have by-products that renewable fuel plants could use to produce energy in this state.

(2) The fund shall make the inventory available to the public on the internet not later than January 1, 2009.

(3) Local units of government and their economic development agencies may assist the fund in its duties under this section.

**History:** Add. 2008, Act 320, Imd. Eff. Dec. 18, 2008.

**Popular name:** Strategic Fund