

# HOUSE BILL No. 5920

November 6, 2014, Introduced by Rep. Schor and referred to the Committee on Commerce.

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending section 7 (MCL 125.2007), as amended by 2005 PA 225.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 7. (1) The fund shall have the powers and duties provided  
2 in this act, the powers delegated by other laws or executive  
3 orders, including, but not limited to, the power to:

4           (a) Sue and be sued; to have a seal and alter the same at  
5 pleasure; to have perpetual succession; to make, execute, and  
6 deliver contracts, conveyances, and other instruments necessary or  
7 convenient to the exercise of its powers; and to make and amend  
8 bylaws.

9           (b) Solicit and accept gifts, grants, loans, and other aids  
10 from any person or the federal, state, or a local government or any

1 agency of the federal, state, or a local government, or to  
2 participate in any other way in any federal, state, or local  
3 government program.

4 (c) Make grants, loans, and investments; to guarantee and  
5 insure loans, leases, bonds, notes, or other indebtedness, whether  
6 public or private; and to issue letters of credit.

7 (d) Construct; acquire by gift, purchase, installment  
8 purchase, or lease; and reconstruct, improve, repair, or equip a  
9 project or any part of a project.

10 (e) Borrow money and issue bonds and notes to finance part or  
11 all of the project costs of a project, or of a loan under  
12 subdivision (r) for an export transaction, and to secure those  
13 bonds and notes by mortgage, assignment, or pledge of any of its  
14 money, revenues, income, and properties. The authority provided by  
15 this subdivision includes, but is not limited to, issuing bonds and  
16 notes to acquire and install machinery, equipment, furnishings, and  
17 other personal property, notwithstanding that the fund does not own  
18 or propose to own or finance the building or land in or near to  
19 which the machinery, equipment, furnishings, and other personal  
20 property is or is to be located.

21 (f) Acquire or contract to acquire from any person,  
22 municipality, the federal or state government, or any agency of the  
23 foregoing, or otherwise, leaseholds, real or personal property or  
24 any interest in real or personal property; to own, hold, clear,  
25 improve, and rehabilitate and to sell, assign, exchange, transfer,  
26 convey, lease, mortgage, or otherwise dispose of or encumber  
27 leaseholds, real or personal property or any interest in real or

1 personal property, as is convenient for the accomplishment of the  
2 purposes of this act and of the fund.

3 (g) Procure insurance against any loss in connection with the  
4 fund's property, assets, or activities.

5 (h) Invest any money of the fund at the fund's discretion, in  
6 any obligations determined proper by the fund, and name and use  
7 depositories for its money.

8 (i) Engage personnel as is necessary and engage the services  
9 of private consultants, managers, counsel, auditors, engineers, and  
10 scientists for rendering professional management and technical  
11 assistance and advice, payable out of any money of the fund legally  
12 available for this purpose.

13 (j) Charge, impose, and collect fees and charges in connection  
14 with any transaction and provide for reasonable penalties for  
15 delinquent payment of fees or charges.

16 (k) Indemnify and procure insurance indemnifying any members  
17 of the board from personal loss or accountability from liability  
18 asserted by a person on the bonds or notes of the fund or from any  
19 personal liability or accountability by reason of the issuance of  
20 the bonds, notes, insurance, or guarantees; by reason of  
21 acquisition, construction, ownership, or operation of a project; or  
22 by reason of any other action taken or the failure to act by the  
23 fund.

24 (l) Enter into a lease for the use or sale of a project. The  
25 lease may provide for options to purchase or renew.

26 (m) Mortgage or create security interests in a project or any  
27 part of a project, or in a lease or loan, or in the rents,

1 revenues, or sums to be paid thereunder, in favor of the holders of  
2 the bonds or notes issued by the fund.

3 (n) Convey or release a project or any part of a project to a  
4 lessee, purchaser, or borrower under any agreement after provision  
5 has been made for the retirement in full of the bonds or notes  
6 issued for that project under terms and conditions provided in the  
7 agreement or as may be agreed with the holders of the bonds or  
8 notes, at any time where the obligation of the lessee, purchaser,  
9 or borrower to make the payments prescribed shall remain fixed as  
10 provided in the agreement notwithstanding the conveyance or  
11 release, or as may otherwise be agreed with the holders of the  
12 bonds or notes.

13 (o) Make loans, participate in the making of loans, undertake  
14 commitments to make loans and mortgages, buy and sell loans and  
15 mortgages at public or private sale, rewrite loans and mortgages,  
16 discharge loans and mortgages, foreclose on a mortgage, commence an  
17 action to protect or enforce a right conferred upon the fund by a  
18 law, mortgage, loan, contract, or other agreement, bid for and  
19 purchase property which was the subject of the mortgage at a  
20 foreclosure or other sale, acquire or take possession of the  
21 property and in that event complete, administer, pay the principal  
22 and interest on obligations incurred in connection with that  
23 property, and dispose of and otherwise deal with the property, in a  
24 manner as may be necessary or desirable to protect the interests of  
25 the fund.

26 (p) Certify, for the purpose of determining eligible  
27 investments for the basis of a single business tax credit, minority

1 venture capital companies, as defined by law.

2 (q) Except as otherwise provided in this subdivision, to  
3 create and operate centers, accounts, and funds as required or  
4 permitted by law for the use and disbursement of assets of the  
5 fund. The powers granted under this subdivision do not apply to  
6 chapter 8A.

7 (r) ~~To make~~ **MAKE** loans to a financial institution to  
8 facilitate financing of all or part of an export related  
9 transaction including, but not limited to, pre-export working  
10 capital financing and postexport receivable financing.

11 (s) Do all other things necessary or convenient to achieve the  
12 objectives and purposes of the fund, this act, or other laws that  
13 relate to the purposes and responsibilities of the fund.

14 **(2) BEGINNING JANUARY 1, 2015, THE FUND BOARD SHALL PROVIDE**  
15 **THAT ALL LOAN, GRANT, INCENTIVE, OR OTHER ECONOMIC ASSISTANCE**  
16 **PROGRAMS OPERATED UNDER THIS ACT PROVIDE THAT THE LOAN, GRANT,**  
17 **INCENTIVE, OR OTHER ECONOMIC ASSISTANCE SHALL NOT BE AWARDED TO ANY**  
18 **BUSINESS ENTITY THAT HAS UNDERGONE A TAX INVERSION WITHIN THE**  
19 **IMMEDIATELY PRECEDING 10-YEAR PERIOD FROM THE DATE OF THE**  
20 **APPLICATION FOR THE LOAN, GRANT, INCENTIVE, OR OTHER ECONOMIC**  
21 **ASSISTANCE UNDER THIS ACT. AS USED IN THIS SUBSECTION, "TAX**  
22 **INVERSION" MEANS THE RELOCATION OF A BUSINESS ENTITY'S CORPORATE**  
23 **HEADQUARTERS TO A LOWER TAX COUNTRY WHILE MAINTAINING ITS MATERIAL**  
24 **OPERATIONS IN THIS COUNTRY AS DETERMINED BY THE STATE TREASURER.**