

**SUBSTITUTE FOR
SENATE BILL NO. 432**

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 74 (MCL 125.2074), as amended by 2006 PA 616.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

7 (2) The present or emerging technologies that are provided
8 financial aid should serve as a foundation for future job growth or
9 retention in this state, encourage economic stability or

1 diversification in this state, and establish this state as a center
2 of excellence in high technology.

3 (3) Financial aid under this act may be provided for the
4 purposes of designing and constructing new facilities, designing
5 and rehabilitating existing facilities, acquiring an interest in
6 real or personal property, providing working capital, which may
7 include salaries, rent, supplies, inventory, accounts receivable,
8 mortgage payments, legal costs, utility costs, telephone, travel,
9 and other incidental costs normally classified as working capital
10 according to standard accounting principles. Working capital
11 financing grants provided by the fund to a particular research and
12 development enterprise shall not be granted for a period exceeding
13 10 years calculated from the effective date of the first grant to
14 the expiration date of the last grant.

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

19 (5) The minimum financial aid grant under this act shall be
20 \$2,500,000.00 to be paid over the period of time as the fund shall
21 specify in the grant unless this restriction is waived by a 2/3
22 vote of the members of the board.

23 (6) Personal property that is leased, ~~or owned, and or~~ used,
24 ~~or that portion of~~ real property that is leased, subleased, or
25 owned, ~~and occupied~~ by a nonprofit research and development
26 enterprise that receives or has received financial benefit or
27 support under this act, former 1982 PA 70, or section 117 of 2000
28 PA 291 in the amount of \$1,000,000.00 or more or that has received
29 financial benefit or support in the amount of \$1,000,000.00 or more

1 from an organization with tax-exempt status under section 501(c)(3)
2 of the internal revenue code, 26 USC 501, that received financial
3 benefit or support directly or indirectly under this act or section
4 117 of 2000 PA 291 is exempt from taxes collected under the general
5 property tax act, 1893 PA 206, MCL 211.1 to ~~211.157~~, **211.155**, while
6 the property is leased, subleased, owned, used, or occupied by that
7 nonprofit research and development enterprise solely for the
8 purpose of performing or coordinating research and development **or,**
9 **through December 31, 2024, supporting research and development** in
10 present and emerging technology and of the application of that
11 technology to business and industry and provided that the research
12 and development enterprise retains its tax-exempt status under
13 section 501(c)(3) of the internal revenue code, 26 USC 501.