

HOUSE BILL NO. 5959

September 26, 2024, Introduced by Reps. Posthumus, Kunse, Bierlein, Rigas, Borton, Schuette, Alexander, BeGole, Fox, Bollin, Meerman, DeBoyer and Bruck and referred to the Committee on Government Operations.

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending section 4 (MCL 125.2004), as amended by 2020 PA 358, and by adding section 7c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 4. As used in this act:
- 2 (a) "Board" means the board of directors of the Michigan
- 3 strategic fund, except where the context clearly requires a
- 4 different definition.

1 (b) "Economic development project" means, **subject to both of**
 2 **the following provisions**, an endeavor related to industrial,
 3 commercial, or agricultural enterprise: -

4 (i) Economic development project includes, but is not limited
 5 to, ~~a~~ **all of the following**:

6 (A) ~~A~~ theme or recreation park. ~~;~~ ~~agricultural~~

7 (B) **Agricultural** or forestry production, harvesting, storage,
 8 or processing facilities or equipment. ~~;~~ ~~port~~

9 (C) **Port** facilities. ~~;~~ ~~and the~~

10 (D) **The** use of equipment or facilities designed to produce
 11 energy from renewable resources.

12 (ii) Economic development project does not include ~~that~~ ~~either~~
 13 **of the following**:

14 (A) **That** portion of an endeavor devoted to the sale of goods
 15 at retail, except that, as used in relation to the fund insuring a
 16 transaction entered into by a depository institution, and as used
 17 in relation to a loan by the fund to a minority owned business, an
 18 economic development project may include that portion of an
 19 endeavor devoted to the sale of goods at retail. ~~Economic~~
 20 ~~development project does not include that~~

21 (B) **That** portion of an endeavor devoted to housing or a
 22 program or activity authorized under chapter 8A.

23 (c) "Financial institution" means a state or nationally
 24 chartered bank or a state or federally chartered savings and loan
 25 association, savings bank, or credit union whose deposits are
 26 insured by an agency of the United States government and that
 27 maintains a principal office or branch office in this state under
 28 the laws of this state or the United States.

29 (d) "Fund" means the Michigan strategic fund created under

1 section 5, except where the context clearly requires a different
2 definition.

3 (e) "FWC Qualified Settlement Fund" means the FWC Qualified
4 Settlement Fund described in the settlement agreement approved by
5 the court in *In re Flint Water Cases*, No. 5:16-cv-10444-JEL-MKM (ED
6 Mich).

7 (f) "Green chemistry" means chemistry and chemical engineering
8 to design chemical products or processes that reduce or eliminate
9 the use or generation of hazardous substances, while producing
10 high-quality products through safe and efficient manufacturing
11 processes. Green chemistry is guided by the following 12
12 principles:

13 (i) Prevent waste: Design chemical syntheses to prevent waste,
14 leaving no waste to treat or clean up.

15 (ii) Design safer chemicals and products: Design chemical
16 products to be fully effective, yet have little or no toxicity.

17 (iii) Design less hazardous chemical syntheses: Design syntheses
18 to use and generate substances with little or no toxicity to humans
19 and the environment.

20 (iv) Use renewable feedstocks: Use raw materials and feedstocks
21 that are renewable rather than depleting. Renewable feedstocks are
22 often made from agricultural products or are the wastes of other
23 processes. ~~;~~ ~~depleting~~ **Depleting** feedstocks are made from fossil
24 fuels, including petroleum, natural gas, or coal, or are mined.

25 (v) Use catalysts, not stoichiometric reagents: Minimize waste
26 by using catalytic reactions. Catalysts are used in small amounts
27 and can carry out a single reaction many times. They are preferable
28 to stoichiometric reagents, which are used in excess and work only
29 once.

1 (vi) Avoid chemical derivatives: Avoid using blocking or
2 protecting groups or any temporary modifications if possible.
3 Derivatives use additional reagents and generate waste.

4 (vii) Maximize atom economy: Design syntheses so that the final
5 product contains the maximum proportion of the starting materials.
6 There should be few, if any, wasted atoms.

7 (viii) Use safer solvents and reaction conditions: Avoid using
8 solvents, separation agents, or other auxiliary chemicals. If these
9 chemicals are necessary, use innocuous chemicals.

10 (ix) Increase energy efficiency: Run chemical reactions at
11 ambient temperature and pressure ~~whenever~~**if** possible.

12 (x) Design chemicals and products to degrade after use: Design
13 chemical products to break down to innocuous substances after use
14 so that they do not accumulate in the environment.

15 (xi) Analyze in real-time to prevent pollution: Include in-
16 process real-time monitoring and control during syntheses to
17 minimize or eliminate the formation of by-products.

18 (xii) Minimize the potential for accidents: Design chemicals
19 and their forms, including solid, liquid, or gas, to minimize the
20 potential for chemical accidents, including explosions, fires, and
21 releases to the environment.

22 (g) "Michigan economic development corporation" or "MEDC"
23 means the Michigan economic development corporation, the public
24 body corporate created under section 28 of article VII of the state
25 constitution of 1963 and the urban cooperation act of 1967, 1967
26 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal
27 agreement effective April 5, 1999, and subsequently amended,
28 between local participating economic development corporations
29 formed under the economic development corporations act, 1974 PA

1 338, MCL 125.1601 to 125.1636, and the fund.

2 (h) "Municipality" means a county, city, village, township,
3 port district, development organization, institution of higher
4 education, community or junior college, or subdivision or
5 instrumentality of any of the legal entities listed in this
6 subdivision.

7 (i) "Person" means an individual, sole proprietorship,
8 partnership, limited partnership, limited liability partnership,
9 limited liability company, joint venture, profit or nonprofit
10 corporation including a public or private college or university,
11 public utility, municipality, local industrial development
12 corporation, economic development corporation, other association of
13 persons organized for agricultural, commercial, or industrial
14 purposes, a lender, or any other entity approved by the board.

15 (j) "Port facilities" means ~~seawall~~**any of the following,**
16 **except that port facilities does not include an international**
17 **bridge or international tunnel:**

18 (i) **Seawall** jetties. ; ~~piers; wharves; docks; boat~~

19 (ii) **Piers.**

20 (iii) **Wharves.**

21 (iv) **Docks.**

22 (v) **Boat** landings. ; ~~marinas; warehouses; storhouses;~~
23 ~~elevators; grain~~

24 (vi) **Marinas.**

25 (vii) **Warehouses.**

26 (viii) **Storehouses.**

27 (ix) **Elevators.**

28 (x) **Grain** bins. ; ~~cold~~

29 (xi) **Cold** storage plants. ; ~~bunkers; oil~~

1 **(xii) Bunkers.**

2 **(xiii) Oil tanks.** ~~; ferries; canals; locks; bridges; tunnels;~~
3 ~~seaways; conveyors; modern~~

4 **(xiv) Ferries.**

5 **(xv) Canals.**

6 **(xvi) Locks.**

7 **(xvii) Bridges.**

8 **(xviii) Tunnels.**

9 **(xix) Seaways.**

10 **(xx) Conveyors.**

11 **(xxi) Modern** appliances for the economical handling, storage,
12 and transportation of freight and handling of passenger traffic. ~~;~~
13 ~~transfer~~

14 **(xxii) Transfer** and terminal facilities required for the
15 efficient operation and development of ports and harbors. ~~; other~~

16 **(xxiii) Other** harbor improvements. ~~; or improvements,~~

17 **(xxiv) Improvements,** enlargements, remodeling, or extensions of
18 any of ~~these~~ **the** buildings or structures **described in subparagraphs**
19 **(i) to (xxiii).** ~~Port facilities do not include an international bridge~~
20 ~~or international tunnel.~~

21 (k) "Project" means an economic development project and, in
22 addition, ~~means the~~ **includes all of the following, except that**
23 **project does not include a program or activity authorized under**
24 **chapter 8A:**

25 **(i) The** acquisition, construction, reconstruction, conversion,
26 or leasing of an industrial, commercial, retail, agricultural, or
27 forestry enterprise, or any part of these, to carry out the
28 purposes and objectives of this act and of the fund, including, but

1 not limited to, acquisition of land or interest in land, buildings,
 2 structures, or other planned or existing planned improvements to
 3 land including leasehold improvements, machinery, equipment, or
 4 furnishings which include, but are not limited to, **all of** the
 5 following: ~~research~~

- 6 **(A) Research** parks. ~~; office~~
 7 **(B) Office** facilities. ~~; engineering~~
 8 **(C) Engineering** facilities. ~~; research~~
 9 **(D) Research** and development laboratories. ~~; warehousing~~
 10 **(E) Warehousing** facilities. ~~; parts~~
 11 **(F) Parts** distribution facilities. ~~; depots~~
 12 **(G) Depots** or storage facilities. ~~; port~~
 13 **(H) Port** facilities. ~~; railroad~~
 14 **(I) Railroad** facilities, including trackage, right of way, and
 15 appurtenances. ~~; airports; bridges~~
 16 **(J) Airports.**
 17 **(K) Bridges** and bridge facilities. ~~; water~~
 18 **(L) Water** and air pollution control equipment or waste
 19 disposal facilities. ~~; theme~~
 20 **(M) Theme** or recreational parks. ~~; equipment~~
 21 **(N) Equipment** or facilities designed to produce energy from
 22 renewable resources. ~~; farms,~~
 23 **(O) Farms,** ranches, forests, and other agricultural or
 24 forestry commodity producers. ~~; agricultural~~
 25 **(P) Agricultural** harvesting, storage, transportation, or
 26 processing facilities or equipment. ~~; grain~~
 27 **(Q) Grain** elevators. ~~; shipping~~
 28 **(R) Shipping** heads and livestock pens. ~~; livestock;~~
 29 ~~warehouses; wharves~~

1 **(S) Livestock.**

2 **(T) Warehouses.**

3 **(U) Wharves** and dock facilities. ~~; dredging~~

4 **(V) Dredging** of recreational or commercial harbors. ~~; water,~~

5 **(W) Water,** electricity, ~~hydro electric,~~ **hydroelectric,** coal,
6 petroleum, or natural gas provision facilities. ~~; dams~~

7 **(X) Dams** and irrigation facilities. ~~; sewage,~~

8 **(Y) Sewage,** liquid, and solid waste collection, disposal
9 treatment, and drainage services and facilities. ~~Project also~~
10 ~~includes the~~

11 **(ii) The** resolution and settlement of pending claims and
12 assisting to alleviate health issues of Michigan citizens through a
13 loan to the Special Purpose FWC Settlement Entity, which entity may
14 use those loan proceeds only to pay the expenses, costs, and fees
15 associated with the Special Purpose FWC Settlement Entity, to
16 reimburse this state for its initial \$5,000,000.00 payment to the
17 FWC Qualified Settlement Fund, and to pay the FWC Qualified
18 Settlement Fund. ~~Project does not include a program or activity~~
19 ~~authorized under chapter 8A.~~

20 (l) "Private sector" means other than the fund, a state or
21 federal source, or an agency of a state or the federal government.

22 (m) "Special Purpose FWC Settlement Entity" means the Special
23 Purpose FWC Settlement Entity described in the settlement agreement
24 approved by the court in *In re Flint Water Cases*, No. 5:16-cv-
25 10444-JEL-MKM (ED Mich).

26 (n) "UFLPA entity list" means the consolidated register of the
27 lists required to be developed and maintained under section
28 2(d)(2)(B) of the Uyghur forced labor prevention act.

29 (o) "Uyghur forced labor prevention act" means Public Law 117-

1 78.

2 Sec. 7c. (1) Notwithstanding anything to the contrary in this
3 act, the fund shall not provide a grant, loan, or other economic
4 assistance to a person on the UFLPA entity list.

5 (2) A written agreement that is executed or amended after the
6 effective date of the amendatory act that added this section must
7 include a provision that if the person with whom the agreement is
8 made is added to the UFLPA entity list, all of the following apply:

9 (a) The person forfeits any future payments under the written
10 agreement.

11 (b) The person shall reimburse the fund for 100% of any
12 payments already received under the written agreement plus a 10%
13 penalty.

14 (c) After the person reimburses the fund and pays the penalty
15 in satisfaction of subdivision (b), the written agreement is
16 terminated.

17 (3) Not later than 90 days after the effective date of the
18 amendatory act that added this section, the fund shall amend all
19 existing written agreements to include a provision that if the
20 person with whom the agreement is made is added to the UFLPA entity
21 list, all of the following apply:

22 (a) The person forfeits any future payments under the written
23 agreement.

24 (b) The person shall reimburse the fund for 100% of any
25 payments already received under the written agreement plus a 10%
26 penalty.

27 (c) After the person reimburses the fund and pays the penalty
28 in satisfaction of subdivision (b), the written agreement is
29 terminated.

1 (4) If an existing written agreement is not amended as
2 required under subsection (3), both of the following apply:

3 (a) The written agreement is against public policy and is void
4 and unenforceable.

5 (b) The fund shall not disburse any money under the written
6 agreement.

7 (5) As used in this section:

8 (a) "Existing written agreement" means a written agreement
9 that was executed before the effective date of the amendatory act
10 that added this section and that has not expired as of the
11 effective date of the amendatory act that added this section.

12 (b) "Written agreement" means an agreement to provide a grant,
13 loan, or other economic assistance to a person to which the fund is
14 a party.