

HOUSE BILL No. 6570

December 5, 2002, Introduced by Rep. Cassis and referred to the Committee on Tax Policy.

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 74 (MCL 125.2074), as amended by 1987
PA 278.

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
3 research and development enterprises that perform or cause to be
4 performed, or both, research and development in present and
5 emerging technology and in the application of that technology to
6 business and industry.

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

1 diversification in this state, and establish this state as a
2 center 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~~ THAT
7 may include salaries, rent, supplies, inventory, accounts receiv-
8 able, mortgage payments, legal costs, utility costs, telephone,
9 travel, and other incidental costs normally classified as working
10 capital according to standard accounting principles. Working
11 capital financing grants provided by the fund to a particular
12 research and development enterprise shall not be granted for a
13 period exceeding 10 years calculated from the effective date of
14 the first grant to 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 deter-
17 mine to be reasonable, appropriate, and consistent with the pur-
18 poses and 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
21 shall specify in the grant unless this restriction is waived by a
22 2/3 vote of the members of the board.

23 (6) ~~Property~~ PERSONAL PROPERTY THAT IS owned and used or
24 REAL PROPERTY THAT IS occupied by a nonprofit research and devel-
25 opment enterprise that receives or has received financial aid in
26 the amount of \$1,000,000.00 or more pursuant to this ~~section~~
27 ACT or pursuant to former ~~Act No. 70 of the Public Acts of 1982~~

1 1982 PA 70 OR THAT HAS RECEIVED FINANCIAL BENEFIT OR SUPPORT IN
2 THE AMOUNT OF \$1,000,000.00 OR MORE FROM AN ORGANIZATION WITH TAX
3 EXEMPT STATUS UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE
4 CODE OF 1986 THAT RECEIVED FUNDING DIRECTLY OR INDIRECTLY UNDER
5 SECTION 117 OF 2000 PA 291 is exempt from ~~ad valorem real and~~
6 ~~personal property~~ taxes ~~imposed~~ COLLECTED under the general
7 property tax act, ~~Act No. 206 of the Public Acts of 1893, being~~
8 ~~sections 211.1 to 211.157 of the Michigan Compiled Laws~~ 1893
9 PA 206, MCL 211.1 TO 211.157, while the property is used or occu-
10 pied by that nonprofit research and development enterprise solely
11 for the purpose of performing OR COORDINATING research and devel-
12 opment in present and emerging technology and of the application
13 of that technology to business and industry and provided that the
14 research and development enterprise retains its ~~nonprofit~~ TAX
15 EXEMPT status under section 501(c)(3) of the internal revenue
16 code OF 1986.