

**SUBSTITUTE FOR  
HOUSE BILL NO. 5463**

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.

**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.

5           (b) "Economic development project" means an endeavor related  
6 to industrial, commercial, or agricultural enterprise. Economic  
7 development project includes, but is not limited to, a theme or  
8 recreation park; agricultural or forestry production, harvesting,  
9 storage, or processing facilities or equipment; port facilities;



1 and the use of equipment or facilities designed to produce energy  
2 from renewable resources. Economic development project does not  
3 include that portion of an endeavor devoted to the sale of goods at  
4 retail, except that, as used in relation to the fund insuring a  
5 transaction entered into by a depository institution, and as used  
6 in relation to a loan by the fund to a minority owned business, an  
7 economic development project may include that portion of an  
8 endeavor devoted to the sale of goods at retail. Economic  
9 development project does not include that portion of an endeavor  
10 devoted to housing or a program or activity authorized under  
11 chapter 8A.

12 (c) "Financial institution" means a state or nationally  
13 chartered bank or a state or federally chartered savings and loan  
14 association, savings bank, or credit union whose deposits are  
15 insured by an agency of the United States government and that  
16 maintains a principal office or branch office in this state under  
17 the laws of this state or the United States.

18 (d) "Fund" means the Michigan strategic fund created under  
19 section 5, except where the context clearly requires a different  
20 definition.

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

25 (f) "Green chemistry" means chemistry and chemical engineering  
26 to design chemical products or processes that reduce or eliminate  
27 the use or generation of hazardous substances, while producing  
28 high-quality products through safe and efficient manufacturing  
29 processes. Green chemistry is guided by the following 12



1 principles:

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

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

6 (iii) Design less hazardous chemical syntheses: Design syntheses  
7 to use and generate substances with little or no toxicity to humans  
8 and the environment.

9 (iv) Use renewable feedstocks: Use raw materials and feedstocks  
10 that are renewable rather than depleting. Renewable feedstocks are  
11 often made from agricultural products or are the wastes of other  
12 processes; depleting feedstocks are made from fossil fuels,  
13 including petroleum, natural gas, or coal, or are mined.

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

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

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

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

28 (ix) Increase energy efficiency: Run chemical reactions at  
29 ambient temperature and pressure whenever possible.



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

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

7 (xii) Minimize the potential for accidents: Design chemicals  
8 and their forms, including solid, liquid, or gas, to minimize the  
9 potential for chemical accidents, including explosions, fires, and  
10 releases to the environment.

11 (g) "Michigan economic development corporation" or "MEDC"  
12 means the Michigan economic development corporation, the public  
13 body corporate created under section 28 of article VII of the state  
14 constitution of 1963 and the urban cooperation act of 1967, 1967  
15 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal  
16 agreement effective April 5, 1999, and subsequently amended,  
17 between local participating economic development corporations  
18 formed under the economic development corporations act, 1974 PA  
19 338, MCL 125.1601 to 125.1636, and the fund.

20 (h) **"Microenterprise business" means a new or existing**  
21 **business that is headquartered in this state with 10 or fewer**  
22 **employees and includes a startup business, a home-based business,**  
23 **and a self-employed individual.**

24 (i) **"Microenterprise development organization" means a**  
25 **community-based, nonprofit organization that is tax-exempt under**  
26 **section 501(c) (3) of the internal revenue code of 1986, 26 USC 501,**  
27 **and that has a demonstrated capacity or potential capacity and plan**  
28 **for providing business development training, technical assistance,**  
29 **or business loans to microenterprise businesses.**



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

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

14           (l) ~~(j)~~—"Port facilities" means seawall jetties; piers;  
 15 wharves; docks; boat landings; marinas; warehouses; storehouses;  
 16 elevators; grain bins; cold storage plants; bunkers; oil tanks;  
 17 ferries; canals; locks; bridges; tunnels; seaways; conveyors;  
 18 modern appliances for the economical handling, storage, and  
 19 transportation of freight and handling of passenger traffic;  
 20 transfer and terminal facilities required for the efficient  
 21 operation and development of ports and harbors; other harbor  
 22 improvements; or improvements, enlargements, remodeling, or  
 23 extensions of any of these buildings or structures. Port facilities  
 24 do not include an international bridge or international tunnel.

25           (m) ~~(k)~~—"Project" means an economic development project and,  
 26 in addition, means the acquisition, construction, reconstruction,  
 27 conversion, or leasing of an industrial, commercial, retail,  
 28 agricultural, or forestry enterprise, or any part of these, to  
 29 carry out the purposes and objectives of this act and of the fund,



1 including, but not limited to, acquisition of land or interest in  
2 land, buildings, structures, or other planned or existing planned  
3 improvements to land including leasehold improvements, machinery,  
4 equipment, or furnishings which include, but are not limited to,  
5 the following: research parks; office facilities; engineering  
6 facilities; research and development laboratories; warehousing  
7 facilities; parts distribution facilities; depots or storage  
8 facilities; port facilities; railroad facilities, including  
9 trackage, right of way, and appurtenances; airports; bridges and  
10 bridge facilities; water and air pollution control equipment or  
11 waste disposal facilities; theme or recreational parks; equipment  
12 or facilities designed to produce energy from renewable resources;  
13 farms, ranches, forests, and other agricultural or forestry  
14 commodity producers; agricultural harvesting, storage,  
15 transportation, or processing facilities or equipment; grain  
16 elevators; shipping heads and livestock pens; livestock;  
17 warehouses; wharves and dock facilities; dredging of recreational  
18 or commercial harbors; water, electricity, hydro electric, coal,  
19 petroleum, or natural gas provision facilities; dams and irrigation  
20 facilities; sewage, liquid, and solid waste collection, disposal  
21 treatment, and drainage services and facilities. Project also  
22 includes the resolution and settlement of pending claims and  
23 assisting to alleviate health issues of Michigan citizens through a  
24 loan to the Special Purpose FWC Settlement Entity, which entity may  
25 use those loan proceeds only to pay the expenses, costs, and fees  
26 associated with the Special Purpose FWC Settlement Entity, to  
27 reimburse this state for its initial \$5,000,000.00 payment to the  
28 FWC Qualified Settlement Fund, and to pay the FWC Qualified  
29 Settlement Fund. Project does not include a program or activity



1 authorized under chapter 8A.

2 (n) ~~(l)~~—"Private sector" means other than the fund, a state or  
3 federal source, or an agency of a state or the federal government.

4 (o) ~~(m)~~—"Special Purpose FWC Settlement Entity" means the  
5 Special Purpose FWC Settlement Entity described in the settlement  
6 agreement approved by the court in *In re Flint Water Cases*, No.  
7 5:16-cv-10444-JEL-MKM (ED Mich).

