

SENATE BILL No. 358

March 24, 2005, Introduced by Senators HARDIMAN, GARCIA, PATTERSON, BIRKHOLZ, ALLEN, GILBERT, VAN WOERKOM, BROWN, BISHOP, SANBORN, TOY, GEORGE, CROPSY, GOSCHKA, HAMMERSTROM, SIKKEMA, KUIPERS and JELINEK and referred to the Committee on Commerce and Labor.

A bill to create and provide for the operation of the life science investment authority; to provide for the creation and appointment of a board to govern the authority and to prescribe its powers and duties; to provide for the powers and duties of the authority; to extend protections against certain liabilities to the authority; to provide for the issuance of certain bonds, notes, and other obligations; to promote economic growth; to exempt property, income, and operations of an authority from tax; and to provide an appropriation.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "life
2 science investment authority act".

3 Sec. 2. As used in this act:

4 (a) "Authority" means the life science investment authority

1 created under section 3.

2 (b) "Board" means the life science investment authority board
3 described in section 4.

4 (c) "Department" means the department of treasury.

5 (d) "Fund" means the life science investment fund created in
6 section 18.

7 (e) "Governmental agency" means a department, agency, or
8 commission of this state or of a county, city, village, or township
9 of this state.

10 (f) "Investment management company" means the entity hired by
11 the board to make qualified investments from the fund.

12 (g) "Life science products" means a product that requires food
13 and drug administration approval or registration prior to its
14 introduction in the marketplace and is a drug or medical device as
15 defined by the federal food, drug, and cosmetic act, 21 USC 301 to
16 399.

17 (h) "Local unit of government" means a city, county, township,
18 or village.

19 (i) "Michigan life science pipeline" means members of the
20 Michigan life science pipeline described in section 78 of the
21 Michigan strategic fund act, 1984 PA 270, MCL 125.2078.

22 (j) "Person" means an individual, partnership, corporation,
23 limited liability company, association, governmental entity, or
24 other legal entity.

25 (k) "Qualified agreement" means an agreement between a
26 qualified business and the investment management company. A
27 qualified agreement shall include, but is not limited to, all of

1 the following:

2 (i) A condition that the qualified business match the qualified
3 investment, which shall not exceed 10% of the total need to
4 complete work on the requested round. A qualified investment may be
5 made in follow-on rounds.

6 (ii) A condition that the investment management company ensures
7 a return on the state's investment similar to other investors in
8 the qualified business as determined by the investment management
9 company.

10 (iii) A condition that the qualified businesses utilize members
11 of the Michigan life science pipeline to develop their life science
12 product, if the services needed are readily available as determined
13 by the investment management company.

14 (iv) A condition that a qualified investment will not be used
15 to engage in or support human cloning as defined in section 16274
16 of the public health code, 1978 PA 368, MCL 333.16274, or stem cell
17 research with embryonic tissue.

18 (l) "Qualified business" is a business entity that develops,
19 markets, or commercializes life science products.

20 (m) "Qualified investments" means a loan or investment in a
21 qualified business under the terms of a qualified agreement.

22 Sec. 3. (1) There is created by this act a public body
23 corporate and politic known as the life science investment
24 authority. The authority shall be located within the department.

25 (2) The authority shall exercise its prescribed statutory
26 powers, duties, and functions independently of the state treasurer.
27 The budgeting, procurement, and related administrative functions of

1 the authority shall be performed under the direction and
2 supervision of the state treasurer.

3 (3) The authority may contract with the department for the
4 purpose of maintaining the rights and interests of the authority.

5 (4) The accounts of the authority may be subject to annual
6 financial audits by the state auditor general. Records of the
7 authority shall be maintained according to generally accepted
8 accounting principles.

9 Sec. 4. (1) The authority created under this act shall be
10 governed by the life science investment authority board, which
11 shall consist of 7 board members who are residents of this state.
12 Of the members first appointed under subsection (2)(c), 2 shall be
13 appointed for a term of 2 years and 3 shall be appointed for a term
14 of 3 years.

15 (2) The members of the board shall be as follows:

16 (a) The state treasurer, or his or her designee.

17 (b) The chief executive officer of the Michigan economic
18 development corporation, or his or her designee.

19 (c) Five other members appointed by the governor by and with
20 the advice and consent of the senate who are not employed by this
21 state. Members appointed shall have knowledge, skill, and
22 experience as follows:

23 (i) At least 1 member in science.

24 (ii) At least 1 member in venture capital investments.

25 (iii) At least 1 member in business in the life science field.

26 (iv) At least 1 member in the business of bringing life science
27 products to market.

1 (3) Upon appointment to the board under subsection (2) and
2 upon the taking and filing of the constitutional oath of office
3 prescribed in section 1 of article XI of the state constitution of
4 1963, a member of the board shall enter the office and exercise the
5 duties of the office.

6 (4) After the first appointment, each member shall serve a
7 term of 4 years, except that a person appointed to fill a vacancy
8 shall be appointed for the balance of the unexpired term. The
9 governor shall fill a vacancy in the office by appointment in the
10 same manner as an appointment under subsection (2). A member of the
11 board shall hold office until a successor has been appointed and
12 qualified. A member of the board is eligible for reappointment.

13 (5) Members of the board and officers and employees of the
14 authority are considered public servants subject to 1968 PA 317,
15 MCL 15.321 to 15.330, and 1968 PA 318, MCL 15.301 to 15.310. A
16 member of the board or an officer, employee, or agent of the
17 authority shall discharge the duties of the position in a
18 nonpartisan manner, in good faith, in the best interests of the
19 authority, and with the degree of diligence, care, and skill that
20 an ordinarily prudent person would exercise under similar
21 circumstances in a like position. In discharging duties of the
22 office, a member of the board or an officer, employee, or agent of
23 the authority, when acting in good faith, may rely upon a majority
24 vote of a quorum of the board, upon the opinion of counsel for the
25 authority, upon the report of an independent appraiser selected
26 with reasonable care by the board, or upon financial statements of
27 the authority represented to the member of the board, officer,

1 employee, or agent to be correct by the officer of the authority
2 having charge of its books or accounts or stated in a written
3 report by the auditor general or a certified public accountant or a
4 firm of accountants to fairly reflect the financial condition of
5 the authority.

6 (6) The board shall elect a chairperson, vice-chairperson,
7 secretary, and any additional officers of the board considered
8 necessary by the board from among its members. All elected officers
9 of the board shall be elected annually by the board. Members of the
10 board shall serve without compensation, but shall be reimbursed for
11 actual and necessary expenses.

12 Sec. 5. (1) Upon the appointment of at least 5 members of the
13 board under section 4, the board may hold its first meeting. The
14 first meeting of the board shall be held not more than 60 days
15 after the date the authority is created.

16 (2) The board shall organize and adopt its own policies,
17 procedures, schedule of regular meetings, and a regular meeting
18 date, place, and time. The board shall conduct all business at
19 public meetings held in compliance with the open meetings act, 1976
20 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and
21 place of each meeting shall be given in the manner required by the
22 open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

23 (3) A record or portion of a record, material, or other data
24 received, prepared, used, or retained by the authority in
25 connection with an application for a qualified investment that
26 relates to financial or proprietary information submitted by the
27 applicant that is considered by the applicant and acknowledged by

1 the authority as confidential shall not be subject to the
2 disclosure requirements of the freedom of information act, 1976 PA
3 442, MCL 15.231 to 15.246. A designee of the authority shall make
4 the determination as to whether the authority acknowledges as
5 confidential any financial or proprietary information submitted by
6 the applicant and considered by the applicant as confidential.
7 Unless considered proprietary information, the authority shall not
8 acknowledge routine financial information as confidential. If the
9 designee of the authority determines that information submitted to
10 the authority is financial or proprietary information and is
11 confidential, the designee of the authority shall release a written
12 statement, subject to disclosure under the freedom of information
13 act, 1976 PA 442, MCL 15.231 to 15.246, which states all of the
14 following:

15 (a) The name of the person requesting that the information
16 submitted be confidential as financial or proprietary information.

17 (b) That the information submitted was determined by the
18 designee of the authority to be confidential as financial or
19 proprietary information.

20 (c) A broad nonspecific overview of the financial or
21 proprietary information determined to be confidential.

22 (4) The authority shall not disclose financial or proprietary
23 information not subject to disclosure pursuant to subsection (3)
24 without consent of the applicant submitting the information. As
25 used in this section, "financial or proprietary information" means
26 information that has not been publicly disseminated or is
27 unavailable from other sources, the release of which might cause

1 the applicant significant competitive harm.

2 (5) A board may act only by resolution. A majority of the
3 members of the board then in office, or of any committee of the
4 board, shall constitute a quorum for the transaction of business.
5 The board shall meet in person or by means of electronic
6 communication devices that enable all participants in the meeting
7 to communicate with each other. A vote of a majority of the members
8 of the board serving at the time of the vote is necessary to
9 approve the issuance by the authority of bonds or to approve or
10 amend the annual budget of the authority. Except as otherwise
11 provided in this act, a vote of the majority of the board members
12 present at a meeting at which a quorum is present constitutes the
13 action of the board.

14 (6) Before the beginning of each fiscal year, the board shall
15 prepare a budget containing an itemized statement of the estimated
16 current operational expenses for the operation of the authority,
17 the amount necessary to pay the principal and interest of any
18 outstanding bonds or other obligations of the authority maturing
19 during the ensuing fiscal year or that have previously matured and
20 are unpaid, an estimate of the revenue of the authority from all
21 sources for the ensuing fiscal year, and other amounts necessary to
22 further the purposes of this act. The authority's budget shall be
23 funded by proceeds derived from gifts, grants, loans,
24 appropriations, and other aids from any person or the federal
25 government, this state, or a local government or any agency of the
26 federal government, this state, or a local government.

27 Sec. 6. (1) The board may appoint a person, other than a

1 member of the board, to serve as director of the authority, to whom
2 the authority may delegate any of its administrative powers.

3 (2) Subject to the approval of the board, the director shall
4 supervise, and be responsible for, all of the following:

5 (a) The performance of the functions of the authority under
6 this act.

7 (b) A regular report describing the activities and financial
8 condition of the authority.

9 (c) The issuance of bonds, notes, or other obligations
10 approved by the board.

11 (d) All other activities or functions that the board considers
12 necessary.

13 (3) The board may employ legal and technical experts, private
14 consultants and engineers, accountants, scientists, and other
15 agents or employees for rendering professional and technical
16 assistance and advice as may be necessary. The authority shall
17 determine the qualifications, duties, and compensation of those it
18 employs.

19 (4) The board shall contract with an investment management
20 company to make qualified investments in qualified businesses under
21 terms of qualified agreements as determined by the board. The board
22 shall require the investment management company to do all of the
23 following:

24 (a) Make early seed investments in qualified businesses for
25 life science products.

26 (b) Utilize peer review of the science involved in the life
27 science product before entering into a qualified investment.

1 (c) Report not less than quarterly to the board as determined
2 by the board.

3 (d) Any other requirements determined by the board.

4 Sec. 7. Except as otherwise provided in this act, the
5 authority may do all things necessary to implement the purposes of
6 this act, including, but not limited to, all of the following:

7 (a) Adopt, amend, and repeal bylaws for the regulation of its
8 affairs and the conduct of its business.

9 (b) Adopt an official seal and alter the seal at the pleasure
10 of the board.

11 (c) Sue and be sued in its own name and plead and be
12 impleaded.

13 (d) Solicit and accept gifts, grants, loans, and other
14 assistance from any person or the federal, the state, or a local
15 government or any agency of the federal, the state, or a local
16 government or participate in any other way in any federal, state,
17 or local government program.

18 (e) Finance and otherwise aid in the development and
19 commercialization of life science products.

20 (f) Make loans and investments; guarantee and insure loans,
21 leases, bonds, notes, or other indebtedness, whether public or
22 private; and issue letters of credit.

23 (g) Borrow money and issue bonds and notes to finance part or
24 all of the costs of developing and commercializing life science
25 products and secure those bonds and notes by mortgage, assignment,
26 or pledge of any of its money, revenues, income, and properties.

27 (h) Procure insurance against any loss in connection with the

1 authority's property, assets, or activities.

2 (i) Invest any money of the authority, at the board's
3 discretion, in any bond, note, or other obligation determined
4 proper by the board, and name and use depositories for its money.

5 (j) Contract for goods and services and engage personnel as
6 necessary and engage the services of private consultants, managers,
7 legal counsel, engineers, accountants, scientists, and auditors for
8 rendering professional financial assistance and advice payable out
9 of any money of the authority.

10 (k) Charge, impose, and collect fees and charges in connection
11 with any transaction and provide for reasonable penalties for
12 delinquent payment of fees or charges.

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

21 (m) Promulgate rules pursuant to the administrative procedures
22 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, necessary to carry
23 out the purposes of this act.

24 (n) Do all other things necessary to promote and finance
25 development and commercialization of life science products in this
26 state.

27 Sec. 8. (1) The authority may authorize and issue its bonds or

1 notes payable solely from revenues or funds available to the
2 authority. Bonds and notes of the authority are not a debt or
3 liability of this state and do not create or constitute any
4 indebtedness, liability, or obligations of this state or constitute
5 a pledge of the full faith or credit of this state. All authority
6 bonds and notes shall be payable solely from revenues or funds
7 pledged or available for their payment as authorized in this act.
8 Each bond and note shall contain on its face a statement to the
9 effect that the authority is obligated to pay the principal of and
10 the interest on the bond or note only from revenue or funds of the
11 authority pledged for the payment of principal and interest and
12 that this state is not obligated to pay that principal and interest
13 and that neither the full faith and credit nor the taxing power of
14 this state is pledged to the payment of the principal of or the
15 interest on the bond or note.

16 (2) All expenses incurred in carrying out this section shall
17 be payable solely from revenues or funds provided or to be provided
18 under this act. This act does not authorize the authority to incur
19 any indebtedness or liability on behalf of or payable by this
20 state.

21 (3) Bonds and notes issued under this act are not subject to
22 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to
23 141.2821.

24 (4) The issuance of bonds and notes under this section is
25 subject to the agency financing reporting act, 2002 PA 470, MCL
26 129.171 to 129.177.

27 Sec. 9. (1) The authority may issue from time to time bonds or

1 notes in principal amounts the authority considers necessary to
2 provide funds for any purpose, including, but not limited to, all
3 of the following:

4 (a) The payment, funding, or refunding of the principal of,
5 interest on, or redemption premiums on bonds or notes issued by the
6 authority whether the bonds or notes or interest to be funded or
7 refunded has or has not become due.

8 (b) The establishment or increase of reserves to secure or to
9 pay authority bonds or notes or interest on those bonds or notes.

10 (c) The payment of interest on the bonds or notes for a period
11 as the authority determines.

12 (d) The payment of all other costs or expenses of the
13 authority incident to and necessary or convenient to carry out its
14 authorized purposes and powers.

15 (2) The bonds or notes of the authority shall not be a general
16 obligation of the authority but shall be payable solely from the
17 revenues or funds, or both, pledged to the payment of the principal
18 of and interest on the bonds or notes as provided in the resolution
19 authorizing the bonds or notes.

20 (3) The bonds or notes of the authority:

21 (a) Shall be authorized by resolution of the authority.

22 (b) Shall bear the date or dates of issuance.

23 (c) May be issued as either tax-exempt bonds or notes or
24 taxable bonds or notes for federal income tax purposes.

25 (d) Shall be serial bonds, term bonds, or term and serial
26 bonds.

27 (e) Shall mature at a time or times not exceeding 20 years

1 from the date of issuance.

2 (f) May provide for sinking fund payments.

3 (g) May provide for redemption at the option of the authority
4 at any time for any reason or reasons.

5 (h) May provide for redemption at the option of the bondholder
6 at any time for any reason.

7 (i) Shall bear interest at a fixed or variable rate or rates
8 of interest per year or at no interest.

9 (j) Shall be registered bonds, coupon bonds, or both.

10 (k) May contain a conversion feature.

11 (l) May be transferable.

12 (m) Shall be in the form, denomination or denominations, and
13 with such other provisions and terms as are determined necessary or
14 beneficial by the authority.

15 Sec. 10. (1) The authority may authorize and approve an
16 insurance contract, an agreement for a line of credit, a letter of
17 credit, a commitment to purchase notes or bonds, an agreement to
18 remarket bonds or notes, or any other transaction to provide
19 security to assure timely payment of a bond or note.

20 (2) The authority may authorize payment from the proceeds of
21 the notes or bonds, or other funds available, of the costs of
22 issuance, including, but not limited to, fees for placement,
23 charges for insurance, letters of credit, lines of credit,
24 remarketing agreements, reimbursement agreements, or purchase or
25 sales agreements or commitments, or agreements to provide security
26 to assure timely payment of notes or bonds.

27 (3) The authority shall not invest or otherwise approve an

1 insurance contract, an agreement for a line of credit, a letter of
2 credit, a commitment to purchase notes or bonds, an agreement to
3 remarket bonds or notes, or an issuance of bonds or notes or any
4 other transaction that results in a combined liability of the
5 authority in excess of \$50,000,000.00.

6 Sec. 11. Within limitations contained in the issuance or
7 authorization resolution of the authority, the authority may
8 authorize a member of the board, the director, or other officer of
9 the authority to do 1 or more of the following:

10 (a) Sell and deliver and receive payment for notes or bonds.

11 (b) Refund notes or bonds by the delivery of new notes or
12 bonds whether or not the notes or bonds to be refunded have matured
13 or are subject to redemption.

14 (c) Deliver notes or bonds, partly to refund notes or bonds
15 and partly for any other authorized purpose.

16 (d) Buy notes or bonds that are issued and resell those notes
17 or bonds.

18 (e) Approve interest rates or methods for fixing interest
19 rates, prices, discounts, maturities, principal amounts,
20 denominations, dates of issuance, interest payment dates,
21 redemption rights, at the option of the authority or the holder,
22 the place of delivery and payment, and other matters and procedures
23 necessary to complete the transactions authorized.

24 (f) Direct the investment of any and all funds of the
25 authority.

26 (g) Approve the terms of a contract and execute and deliver
27 the contract subject to the restrictions of this part.

1 (h) Approve the terms of any insurance contract, agreement for
2 a line of credit, a letter of credit, a commitment to purchase
3 notes or bonds, an agreement to remarket bonds or notes, an
4 agreement to manage payment, revenue, or interest rate exposure, or
5 any other transaction to provide security to assure timely payment
6 of a bond or note.

7 (i) Perform any power, duty, function, or responsibility of
8 the authority.

9 Sec. 12. A resolution authorizing bonds or notes may provide
10 for all of the following that shall be part of the contract with
11 the holders of the bonds or notes:

12 (a) A pledge to any payment or purpose all or any part of
13 authority revenues or assets to which its right then exists or may
14 later come to exist, of money derived from the revenues or assets,
15 and of the proceeds of bonds or notes or of an issue of bonds or
16 notes, subject to any existing agreements with bondholders or
17 noteholders.

18 (b) A pledge of a loan, grant, or contribution from the
19 federal, state, or local government.

20 (c) The establishment and setting aside of reserves or sinking
21 funds and the regulation and disposition of reserves or sinking
22 funds subject to this act.

23 (d) Authorization for and limitations on the issuance of
24 additional bonds or notes for the purposes provided for in the
25 resolution and the terms upon which additional notes or bonds may
26 be issued and secured.

27 (e) The procedure, if any, by which the terms of a contract

1 with noteholders or bondholders may be amended or abrogated, the
2 number of noteholders or bondholders who are required to consent to
3 the amendment or abrogation, and the manner in which consent may be
4 given.

5 (f) A contract with the bondholders as to the custody,
6 collection, securing, investment, and payment of any money of the
7 authority. Money of the authority and deposits of money may be
8 secured in the manner determined by the authority. Banks and trust
9 companies may give security for the deposits.

10 (g) Vest in a trustee, or a secured party, the property,
11 income, revenue, receipts, rights, remedies, powers, and duties in
12 trust or otherwise as the authority determines necessary or
13 appropriate to adequately secure and protect noteholders and
14 bondholders or to limit or abrogate the right of the holders of
15 bonds or notes of the authority to appoint a trustee under this act
16 or to limit the rights, powers, and duties of the trustee.

17 (h) Provide the trustee, the noteholders, or the bondholder's
18 remedies that may be exercised if the authority fails or refuses to
19 comply with this act or defaults in an agreement made with the
20 holders of an issue of bonds or notes, which may include, but are
21 not limited to, the following:

22 (i) By mandamus or other action or proceeding at law or in
23 equity, to enforce the rights of the bondholders or noteholders and
24 require the authority to carry out any other agreement with the
25 holders of those notes or bonds and to perform the duties of the
26 authority under this act.

27 (ii) Bring action upon the notes or bonds.

1 (iii) By action, require the authority to account as if it were
2 the trustee of an express trust for the holders of the notes or
3 bonds.

4 (iv) By action in equity, enjoin any acts or things that may be
5 unlawful or in violation of the rights of the holders of the notes
6 or bonds.

7 (v) Declare the notes or bonds due and payable and, if all
8 defaults shall be made good, then, as permitted by the resolution,
9 annul that declaration and its consequences.

10 (i) Any other matters of like or different character that in
11 any way affect the security or protection of the bonds or notes.

12 Sec. 13. A pledge made by the authority shall be valid and
13 binding from the time the pledge is made. The money or property
14 pledged and then received by the authority immediately is subject
15 to the lien of the pledge without physical delivery or further act.
16 The lien of a pledge is valid and binding as against parties having
17 claims of any kind in tort, contract, or otherwise against the
18 authority and is valid and binding as against the transfers of
19 money or property pledged, irrespective of whether parties have
20 notice. The resolution, the trust agreement, or any other
21 instrument by which a pledge is created is not required to be
22 recorded in order to establish and perfect a lien or security
23 interest in the property pledged.

24 Sec. 14. The members of the board and any person executing
25 bonds or notes issued as provided in this act and any person
26 executing any agreement on behalf of the authority is not
27 personally liable on the bonds or notes by reason of their

1 issuance.

2 Sec. 15. The authority may hold, cancel, or resell authority
3 bonds or notes subject to or in accordance with an agreement with
4 holders of authority bonds or notes.

5 Sec. 16. This state pledges to and agrees with the holders of
6 bonds or notes issued in accordance with this act that this state
7 shall not limit or restrict the rights vested in the authority by
8 this act to fulfill the terms of an agreement made with the holders
9 of authority bonds or notes or in any way impair the rights or
10 remedies of the holders of the bonds or notes of the authority
11 until the bonds and notes, together with interest on the bonds or
12 notes and interest on any unpaid installments of interest, and all
13 costs and expenses in connection with an action or proceedings by
14 or on behalf of those holders are fully met, paid, and discharged.

15 Sec. 17. Notwithstanding any restriction in any other law,
16 this state and a public officer, local unit of government, agency
17 of this state or a local unit of government, an intergovernmental
18 entity created under the laws of this state; a bank, trust company,
19 savings bank and institution, savings and loan association,
20 investment company, or other person carrying on a banking business;
21 an insurance company, insurance association, or other person
22 carrying on an insurance business; or an executor, administrator,
23 guardian, trustee, or other fiduciary may legally invest funds
24 belonging to them or within their control in bonds or notes issued
25 under this act, and authority bonds or notes shall be authorized
26 security for public deposits.

27 Sec. 18. (1) The life science investment fund is created under

1 the jurisdiction and control of the authority and may be
2 administered for the general operations of the authority and to
3 secure any notes and bonds of the authority.

4 (2) The authority may receive money or other assets from any
5 source for deposit into the fund. The authority shall credit to the
6 fund interest and earnings from fund investments.

7 (3) Money in the fund at the close of the fiscal year shall
8 remain in the fund and shall not lapse to the general fund.

9 (4) The authority shall expend money from the fund only for
10 the authorized purposes provided in this act.

11 Sec. 19. The authority created under this act shall be exempt
12 from and shall not be required to pay taxes on property, both real
13 and personal, belonging to the authority, which is used for a
14 public or governmental purpose. Property of the authority is public
15 property devoted to an essential public or governmental function
16 and purpose. The authority's income and operation, including bonds
17 or notes issued by the authority or the interest and income derived
18 from the bonds or notes, are exempt from all taxes and special
19 assessments of this state or a political subdivision of this state.

20 Sec. 20. This act shall be construed liberally to effectuate
21 the legislative intent and its purposes. All powers granted shall
22 be cumulative and not exclusive and shall be broadly interpreted to
23 effectuate the intent and purposes and not as a limitation of
24 powers.

25 Sec. 21. There is appropriated from the general fund for
26 initial implementation costs for this act the sum of \$100,000.00.