

1                                   A bill to be entitled  
 2           An act relating to exemptions from the tax on sales,  
 3           use, and other transactions; amending s. 212.08, F.S.;  
 4           revising the sales tax exemption for certain business  
 5           purchases of industrial machinery and equipment;  
 6           deleting certain limitations on, and procedural  
 7           requirements relating to, the exemption; deleting the  
 8           sales tax exemption for machinery and equipment used  
 9           for certain federal procurement contracts; conforming  
 10          cross-references; amending ss. 212.0602, 220.183,  
 11          290.0056, 290.007, 627.5105, and 1011.94, F.S.;  
 12          conforming cross-references; providing an effective  
 13          date.

14  
 15 Be It Enacted by the Legislature of the State of Florida:

16  
 17           Section 1. Paragraphs (e) through (q) of subsection (5) of  
 18           section 212.08, Florida Statutes, are redesignated as paragraphs  
 19           (d) through (p), respectively, and paragraphs (b), (d), and (h)  
 20           of that subsection and paragraph (f) of subsection (15) of that  
 21           section are amended, to read:

22           212.08 Sales, rental, use, consumption, distribution, and  
 23           storage tax; specified exemptions.—The sale at retail, the  
 24           rental, the use, the consumption, the distribution, and the  
 25           storage to be used or consumed in this state of the following  
 26           are hereby specifically exempt from the tax imposed by this  
 27           chapter.

28           (5) EXEMPTIONS; ACCOUNT OF USE.—

29           (b) Machinery and equipment used by manufacturers ~~to~~  
30 ~~increase productive output.~~

31           1. Industrial machinery and equipment purchased for  
32 ~~exclusive use in this state by a new business in spaceport~~  
33 ~~activities as defined by s. 212.02 or for use in new businesses~~  
34 ~~that manufacture, process, compound, or produce for sale items~~  
35 ~~of tangible personal property at fixed locations are exempt from~~  
36 ~~the tax imposed by this chapter if, at the time of purchase, the~~  
37 ~~purchaser furnishes the seller with a signed certificate stating~~  
38 ~~that the items to be exempted are for exclusive use as provided~~  
39 ~~in this paragraph. The certificate relieves the seller of the~~  
40 ~~responsibility of collecting the tax on the sale of such items~~  
41 ~~and the department shall look solely to the purchaser for~~  
42 ~~recovery of the tax if it determines that the purchaser was not~~  
43 ~~entitled to the exemption upon an affirmative showing by the~~  
44 ~~taxpayer to the satisfaction of the department that such items~~  
45 ~~are used in a new business in this state. Such purchases must be~~  
46 ~~made before the date the business first begins its productive~~  
47 ~~operations, and delivery of the purchased item must be made~~  
48 ~~within 12 months after that date.~~

49           ~~2. Industrial machinery and equipment purchased for~~  
50 ~~exclusive use by an expanding facility which is engaged in~~  
51 ~~spaceport activities as defined by s. 212.02 or for use in~~  
52 ~~expanding manufacturing facilities or plant units which~~  
53 ~~manufacture, process, compound, or produce for sale items of~~  
54 ~~tangible personal property at fixed locations in this state are~~  
55 ~~exempt from any amount of tax imposed by this chapter upon an~~  
56 ~~affirmative showing by the taxpayer to the satisfaction of the~~

57 | ~~department that such items are used to increase the productive~~  
58 | ~~output of such expanded facility or business by not less than 5~~  
59 | ~~percent.~~

60 | ~~3.a. To receive an exemption provided by subparagraph 1.~~  
61 | ~~or subparagraph 2., a qualifying business entity shall apply to~~  
62 | ~~the department for a temporary tax exemption permit. The~~  
63 | ~~application shall state that a new business exemption or~~  
64 | ~~expanded business exemption is being sought. Upon a tentative~~  
65 | ~~affirmative determination by the department pursuant to~~  
66 | ~~subparagraph 1. or subparagraph 2., the department shall issue~~  
67 | ~~such permit.~~

68 | ~~b. The applicant shall maintain all necessary books and~~  
69 | ~~records to support the exemption. Upon completion of purchases~~  
70 | ~~of qualified machinery and equipment pursuant to subparagraph 1.~~  
71 | ~~or subparagraph 2., the temporary tax permit shall be delivered~~  
72 | ~~to the department or returned to the department by certified or~~  
73 | ~~registered mail.~~

74 | ~~e. If, in a subsequent audit conducted by the department,~~  
75 | ~~it is determined that the machinery and equipment purchased as~~  
76 | ~~exempt under subparagraph 1. or subparagraph 2. did not meet the~~  
77 | ~~criteria mandated by this paragraph or if commencement of~~  
78 | ~~production did not occur, the amount of taxes exempted at the~~  
79 | ~~time of purchase shall immediately be due and payable to the~~  
80 | ~~department by the business entity, together with the appropriate~~  
81 | ~~interest and penalty, computed from the date of purchase, in the~~  
82 | ~~manner prescribed by this chapter.~~

83 | ~~d. If a qualifying business entity fails to apply for a~~  
84 | ~~temporary exemption permit or if the tentative determination by~~

85 | ~~the department required to obtain a temporary exemption permit~~  
86 | ~~is negative, a qualifying business entity shall receive the~~  
87 | ~~exemption provided in subparagraph 1. or subparagraph 2. through~~  
88 | ~~a refund of previously paid taxes. No refund may be made for~~  
89 | ~~such taxes unless the criteria mandated by subparagraph 1. or~~  
90 | ~~subparagraph 2. have been met and commencement of production has~~  
91 | ~~occurred.~~

92 | ~~4. The department shall adopt rules governing applications~~  
93 | ~~for, issuance of, and the form of temporary tax exemption~~  
94 | ~~permits; provisions for recapture of taxes; and the manner and~~  
95 | ~~form of refund applications, and may establish guidelines as to~~  
96 | ~~the requisites for an affirmative showing of increased~~  
97 | ~~productive output, commencement of production, and qualification~~  
98 | ~~for exemption.~~

99 | 2.5. ~~The exemption does exemptions provided in~~  
100 | ~~subparagraphs 1. and 2. do not apply to machinery or equipment~~  
101 | ~~purchased or used by electric utility companies, communications~~  
102 | ~~companies, oil or gas exploration or production operations,~~  
103 | ~~publishing firms that do not export at least 50 percent of their~~  
104 | ~~finished product out of the state, any firm subject to~~  
105 | ~~regulation by the Division of Hotels and Restaurants of the~~  
106 | ~~Department of Business and Professional Regulation, or any firm~~  
107 | ~~that does not manufacture, process, compound, or produce for~~  
108 | ~~sale items of tangible personal property or that does not use~~  
109 | ~~such machinery and equipment in spaceport activities as required~~  
110 | ~~by this paragraph. The exemption applies exemptions provided in~~  
111 | ~~subparagraphs 1. and 2. shall apply to machinery and equipment~~  
112 | ~~purchased for use in phosphate or other solid minerals~~

113 severance, mining, or processing operations.

114 ~~3.6.~~ For the purposes of the exemption, the term  
115 ~~exemptions provided in subparagraphs 1. and 2., these terms have~~  
116 ~~the following meanings:~~

117 a. "industrial machinery and equipment" means tangible  
118 personal property or other property that has a depreciable life  
119 of 3 years or more and ~~that~~ is used as an integral part in the  
120 manufacturing, processing, compounding, or production of  
121 tangible personal property for sale ~~or is exclusively used in~~  
122 ~~spaceport activities.~~ A building and its structural components  
123 are not industrial machinery and equipment unless the building  
124 or structural component is so closely related to the industrial  
125 machinery and equipment that it houses or supports that the  
126 building or structural component can be expected to be replaced  
127 when the machinery and equipment are replaced. Heating and air-  
128 conditioning systems are not industrial machinery and equipment  
129 unless the sole justification for their installation is to meet  
130 the requirements of the production process, even though the  
131 system may provide incidental comfort to employees or serve, to  
132 an insubstantial degree, nonproduction activities. The term  
133 includes parts and accessories for industrial machinery and  
134 equipment ~~only to the extent that the exemption thereof is~~  
135 ~~consistent with the provisions of this paragraph.~~

136 ~~b. "Productive output" means the number of units actually~~  
137 ~~produced by a single plant, operation, or product line in a~~  
138 ~~single continuous 12-month period, irrespective of sales.~~  
139 ~~Increases in productive output shall be measured by the output~~  
140 ~~for 12 continuous months selected by the expanding business~~

141 ~~after completion of the installation of such machinery or~~  
142 ~~equipment over the output for the 12 continuous months~~  
143 ~~immediately preceding such installation. However, in no case may~~  
144 ~~such time period begin later than 2 years after completion of~~  
145 ~~the installation of the new machinery and equipment. The units~~  
146 ~~used to measure productive output shall be physically comparable~~  
147 ~~between the two periods, irrespective of sales.~~

148 ~~(d) Machinery and equipment used under federal procurement~~  
149 ~~contract.—~~

150 ~~1. Industrial machinery and equipment purchased by an~~  
151 ~~expanding business which manufactures tangible personal property~~  
152 ~~pursuant to federal procurement regulations at fixed locations~~  
153 ~~in this state are exempt from the tax imposed in this chapter~~  
154 ~~upon an affirmative showing by the taxpayer to the satisfaction~~  
155 ~~of the department that such items are used to increase the~~  
156 ~~implicit productive output of the expanded business by not less~~  
157 ~~than 10 percent. The percentage of increase is measured as~~  
158 ~~deflated implicit productive output for the calendar year during~~  
159 ~~which the installation of the machinery or equipment is~~  
160 ~~completed or during which commencement of production utilizing~~  
161 ~~such items is begun divided by the implicit productive output~~  
162 ~~for the preceding calendar year. In no case may the commencement~~  
163 ~~of production begin later than 2 years following completion of~~  
164 ~~installation of the machinery or equipment.~~

165 ~~2. The amount of the exemption allowed shall equal the~~  
166 ~~taxes otherwise imposed by this chapter on qualifying industrial~~  
167 ~~machinery or equipment reduced by the percentage of gross~~  
168 ~~receipts from cost reimbursement type contracts attributable to~~

169 | ~~the plant or operation to total gross receipts so attributable,~~  
170 | ~~accrued for the year of completion or commencement.~~

171 | ~~3. The exemption provided by this paragraph shall inure to~~  
172 | ~~the taxpayer only through refund of previously paid taxes. Such~~  
173 | ~~refund shall be made within 30 days of formal approval by the~~  
174 | ~~department of the taxpayer's application, which application may~~  
175 | ~~be made on an annual basis following installation of the~~  
176 | ~~machinery or equipment.~~

177 | ~~4. For the purposes of this paragraph, the term:~~

178 | ~~a. "Cost reimbursement type contracts" has the same~~  
179 | ~~meaning as in 32 C.F.R. s. 3-405.~~

180 | ~~b. "Deflated implicit productive output" means the product~~  
181 | ~~of implicit productive output times the quotient of the national~~  
182 | ~~defense implicit price deflator for the preceding calendar year~~  
183 | ~~divided by the deflator for the year of completion or~~  
184 | ~~commencement.~~

185 | ~~e. "Eligible costs" means the total direct and indirect~~  
186 | ~~costs, as defined in 32 C.F.R. ss. 15-202 and 15-203, excluding~~  
187 | ~~general and administrative costs, selling expenses, and profit,~~  
188 | ~~defined by the uniform cost-accounting standards adopted by the~~  
189 | ~~Cost Accounting Standards Board created pursuant to 50 U.S.C. s.~~  
190 | ~~2168.~~

191 | ~~d. "Implicit productive output" means the annual eligible~~  
192 | ~~costs attributable to all contracts or subcontracts subject to~~  
193 | ~~federal procurement regulations of the single plant or operation~~  
194 | ~~at which the machinery or equipment is used.~~

195 | ~~e. "Industrial machinery and equipment" means tangible~~  
196 | ~~personal property or other property that has a depreciable life~~

197 ~~of 3 years or more, that qualifies as an eligible cost under~~  
198 ~~federal procurement regulations, and that is used as an integral~~  
199 ~~part of the process of production of tangible personal property.~~  
200 ~~A building and its structural components are not industrial~~  
201 ~~machinery and equipment unless the building or structural~~  
202 ~~component is so closely related to the industrial machinery and~~  
203 ~~equipment that it houses or supports that the building or~~  
204 ~~structural component can be expected to be replaced when the~~  
205 ~~machinery and equipment are replaced. Heating and air-~~  
206 ~~conditioning systems are not industrial machinery and equipment~~  
207 ~~unless the sole justification for their installation is to meet~~  
208 ~~the requirements of the production process, even though the~~  
209 ~~system may provide incidental comfort to employees or serve, to~~  
210 ~~an insubstantial degree, nonproduction activities. The term~~  
211 ~~includes parts and accessories only to the extent that the~~  
212 ~~exemption of such parts and accessories is consistent with the~~  
213 ~~provisions of this paragraph.~~

214 ~~f. "National defense implicit price deflator" means the~~  
215 ~~national defense implicit price deflator for the gross national~~  
216 ~~product as determined by the Bureau of Economic Analysis of the~~  
217 ~~United States Department of Commerce.~~

218 ~~5. The exclusions provided in subparagraph (b)5. apply to~~  
219 ~~this exemption. This exemption applies only to machinery or~~  
220 ~~equipment purchased pursuant to production contracts with the~~  
221 ~~United States Department of Defense and Armed Forces, the~~  
222 ~~National Aeronautics and Space Administration, and other federal~~  
223 ~~agencies for which the contracts are classified for national~~  
224 ~~security reasons. In no event shall the provisions of this~~



225 ~~paragraph apply to any expanding business the increase in~~  
226 ~~productive output of which could be measured under the~~  
227 ~~provisions of sub-subparagraph (b) 6.b. as physically comparable~~  
228 ~~between the two periods.~~

229 (g) ~~(h)~~ Business property used in an enterprise zone.—

230 1. Business property purchased for use by businesses  
231 located in an enterprise zone which is subsequently used in an  
232 enterprise zone is ~~shall be~~ exempt from the tax imposed by this  
233 chapter. This exemption inures to the business only through a  
234 refund of previously paid taxes. A refund shall be authorized  
235 upon an affirmative showing by the taxpayer, to the satisfaction  
236 of the department, that the requirements of this paragraph have  
237 been met.

238 2. To receive a refund, the business must file ~~under oath~~  
239 with the governing body or enterprise zone development agency  
240 that has ~~having~~ jurisdiction over the enterprise zone where the  
241 business is located, as applicable, an application, under oath,  
242 which includes:

243 a. The name and address of the business claiming the  
244 refund.

245 b. The identifying number assigned pursuant to s. 290.0065  
246 to the enterprise zone in which the business is located.

247 c. A specific description of the property for which a  
248 refund is sought, including its serial number or other permanent  
249 identification number.

250 d. The location of the property.

251 e. The sales invoice or other proof of purchase of the  
252 property, showing the amount of sales tax paid, the date of

253 purchase, and the name and address of the sales tax dealer from  
 254 whom the property was purchased.

255 f. Whether the business is a small business as defined by  
 256 s. 288.703.

257 g. If applicable, the name and address of each permanent  
 258 employee of the business, including, for each employee who is a  
 259 resident of an enterprise zone, the identifying number assigned  
 260 pursuant to s. 290.0065 to the enterprise zone in which the  
 261 employee resides.

262 3. Within 10 working days after receipt of an application,  
 263 the governing body or enterprise zone development agency shall  
 264 review the application to determine if it contains all the  
 265 information required pursuant to subparagraph 2. and meets the  
 266 criteria set out in this paragraph. The governing body or agency  
 267 shall certify all applications that contain the information  
 268 required pursuant to subparagraph 2. and meet the criteria set  
 269 out in this paragraph as eligible to receive a refund. If  
 270 applicable, the governing body or agency shall also certify if  
 271 20 percent of the employees of the business are residents of an  
 272 enterprise zone, excluding temporary and part-time employees.  
 273 The certification must ~~shall~~ be in writing, and a copy of the  
 274 certification must ~~shall~~ be transmitted to the executive  
 275 director of the Department of Revenue. The business is ~~shall be~~  
 276 responsible for forwarding a certified application to the  
 277 department within the time specified in subparagraph 4.

278 4. An application for a refund pursuant to this paragraph  
 279 must be submitted to the department within 6 months after the  
 280 tax is due on the business property that is purchased.

281           5. The amount refunded on purchases of business property  
 282 under this paragraph shall be the lesser of 97 percent of the  
 283 sales tax paid on such business property or \$5,000, or, if ~~no~~  
 284 ~~less than~~ 20 percent or more of the employees of the business  
 285 are residents of an enterprise zone, excluding temporary and  
 286 part-time employees, the amount ~~refunded on purchases of~~  
 287 ~~business property under this paragraph~~ shall be the lesser of 97  
 288 percent of the sales tax paid on such business property or  
 289 \$10,000. A refund must ~~approved pursuant to this paragraph shall~~  
 290 be made within 30 days after formal approval by the department  
 291 of the application for the refund. A refund may not be granted  
 292 ~~under this paragraph~~ unless the amount to be refunded exceeds  
 293 \$100 in sales tax paid on purchases made within a 60-day time  
 294 period.

295           6. The department shall adopt rules governing the manner  
 296 and form of refund applications and may establish guidelines as  
 297 to the requisites for an affirmative showing of qualification  
 298 for exemption under this paragraph.

299           7. If the department determines that the business property  
 300 is used outside an enterprise zone within 3 years after ~~from~~ the  
 301 date of purchase, the amount of taxes refunded to the business  
 302 purchasing such business property is ~~shall~~ immediately be due  
 303 and payable to the department by the business, together with the  
 304 appropriate interest and penalty, computed from the date of  
 305 purchase, in the manner provided by this chapter.

306 Notwithstanding this subparagraph, business property used  
 307 exclusively in:

308           a. Licensed commercial fishing vessels;IT

309           b. Fishing guide boats;~~;~~ or

310           c. Ecotourism guide boats

311  
 312 that leave and return to a fixed location within an area  
 313 designated under s. 379.2353, Florida Statutes 2010, are  
 314 eligible for the exemption ~~provided under this paragraph~~ if all  
 315 requirements of this paragraph are met. Such vessels and boats  
 316 must be owned by a business that is eligible to receive the  
 317 exemption ~~provided under this paragraph~~. This exemption does not  
 318 apply to the purchase of a vessel or boat.

319           8. The department shall deduct an amount equal to 10  
 320 percent of each refund granted under this paragraph from the  
 321 amount transferred into the Local Government Half-cent Sales Tax  
 322 Clearing Trust Fund pursuant to s. 212.20 for the county area in  
 323 which the business property is located and shall transfer that  
 324 amount to the General Revenue Fund.

325           9. For the purposes of this exemption, the term "business  
 326 property" means new or used property defined as "recovery  
 327 property" in s. 168(c) of the Internal Revenue Code of 1954, as  
 328 amended, except:

329           a. Property classified as 3-year property under s.  
 330 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;

331           b. Industrial machinery and equipment as defined in  
 332 subparagraph (b)3. ~~sub-subparagraph (b)6.a.~~ and eligible for  
 333 exemption under paragraph (b);

334           c. Building materials as defined in sub-subparagraph  
 335 (g)8.a.; and

336           d. Business property having a sales price of under \$5,000

337 per unit.

338 10. This paragraph expires on the date specified in s.  
339 290.016 for the expiration of the Florida Enterprise Zone Act.

340 (15) ELECTRICAL ENERGY USED IN AN ENTERPRISE ZONE.—

341 (f) For the purpose of the exemption provided in this  
342 subsection, the term "qualified business" means a business that  
343 ~~which~~ is:

344 1. First occupying a new structure to which electrical  
345 service, other than that used for construction purposes, has not  
346 been previously provided or furnished;

347 2. Newly occupying an existing, remodeled, renovated, or  
348 rehabilitated structure to which electrical service, other than  
349 that used for remodeling, renovation, or rehabilitation of the  
350 structure, has not been provided or furnished in the three  
351 preceding billing periods; or

352 3. Occupying a new, remodeled, rebuilt, renovated, or  
353 rehabilitated structure for which a refund has been granted  
354 pursuant to paragraph (5) (f) ~~(5) (g)~~.

355 Section 2. Section 212.0602, Florida Statutes, is amended  
356 to read:

357 212.0602 Education; limited exemption.—To facilitate  
358 investment in education and job training, there is also exempt  
359 from the taxes levied under this chapter, subject to the  
360 provisions of this section, the purchase or lease of materials,  
361 equipment, and other items or the license in or lease of real  
362 property by any entity, institution, or organization that is  
363 primarily engaged in teaching students to perform any of the  
364 activities or services described in s. 212.031(1)(a)9., that

365 | conducts classes at a fixed location located in this state, that  
 366 | is licensed under chapter 1005, and that has at least 500  
 367 | enrolled students. Any entity, institution, or organization  
 368 | meeting the requirements of this section shall be deemed to  
 369 | qualify for the exemptions under ~~in~~ ss. 212.031(1)(a)9. and  
 370 | 212.08(5)(e) ~~212.08(5)(f)~~ and (12), and to qualify for an  
 371 | exemption for its purchase or lease of materials, equipment, and  
 372 | other items used for education or demonstration of the school's  
 373 | curriculum, including supporting operations. ~~Nothing in This~~  
 374 | section does not ~~shall~~ preclude an entity described in this  
 375 | section from qualifying for any other exemption provided under  
 376 | ~~for in~~ this chapter.

377 | Section 3. Paragraph (c) of subsection (1) of section  
 378 | 220.183, Florida Statutes, is amended to read:

379 | 220.183 Community contribution tax credit.—

380 | (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX  
 381 | CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM  
 382 | SPENDING.—

383 | (c) The total amount of tax credit which may be granted  
 384 | for all programs approved under this section, s. 212.08(5)(o)  
 385 | ~~212.08(5)(p)~~, and s. 624.5105 is \$10.5 million annually for  
 386 | projects that provide homeownership opportunities for low-income  
 387 | households or very-low-income households as those terms are  
 388 | defined in s. 420.9071 ~~420.9071(19) and (28)~~ and \$3.5 million  
 389 | annually for all other projects.

390 | Section 4. Paragraph (a) of subsection (9) of section  
 391 | 290.0056, Florida Statutes, is amended to read:

392 | 290.0056 Enterprise zone development agency.—

393 (9) The following powers and responsibilities shall be  
 394 performed by the governing body creating the enterprise zone  
 395 development agency acting as the managing agent of the  
 396 enterprise zone development agency, or, contingent upon approval  
 397 by such governing body, such powers and responsibilities shall  
 398 be performed by the enterprise zone development agency:

399 (a) To review, process, and certify applications for state  
 400 enterprise zone tax incentives pursuant to ss. 212.08(5)(f), (g)  
 401 ~~212.08(5)(g), (h)~~, and (15); 212.096; 220.181; and 220.182.

402 Section 5. Subsections (4) and (5) of section 290.007,  
 403 Florida Statutes, are amended to read:

404 290.007 State incentives available in enterprise zones.—  
 405 The following incentives are provided by the state to encourage  
 406 the revitalization of enterprise zones:

407 (4) The sales tax exemption for building materials used in  
 408 the rehabilitation of real property in enterprise zones provided  
 409 in s. 212.08(5)(f) ~~212.08(5)(g)~~.

410 (5) The sales tax exemption for business equipment used in  
 411 an enterprise zone provided in s. 212.08(5)(g) ~~212.08(5)(h)~~.

412 Section 6. Paragraph (c) of subsection (1) of section  
 413 624.5105, Florida Statutes, is amended to read:

414 624.5105 Community contribution tax credit; authorization;  
 415 limitations; eligibility and application requirements;  
 416 administration; definitions; expiration.—

417 (1) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.—

418 (c) The total amount of tax credit which may be granted  
 419 for all programs approved under this section and ss.  
 420 212.08(5)(o) ~~212.08(5)(p)~~ and 220.183 is \$10.5 million annually

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421 for projects that provide homeownership opportunities for low-  
422 income households or very-low-income households as those terms  
423 are defined in s. 420.9071~~(19) and (28)~~ and \$3.5 million  
424 annually for all other projects.

425 Section 7. Subsection (1) of section 1011.94, Florida  
426 Statutes, is amended to read:

427 1011.94 University Major Gifts Program.—

428 (1) The ~~There is established a~~ University Major Gifts  
429 Program is established. The purpose of the program is to enable  
430 each university to provide donors with an incentive in the form  
431 of matching grants for donations for the establishment of  
432 permanent endowments and sales tax exemption matching funds  
433 received pursuant to s. 212.08(5)(i) ~~212.08(5)(j)~~, which must be  
434 invested, with the proceeds of the investment used to support  
435 libraries and instruction and research programs, as defined by  
436 the Board of Governors.

437 Section 8. This act shall take effect upon becoming a law.