SUBSTITUTE FOR

HOUSE BILL NO. 5414

A bill to amend 1984 PA 270, entitled

"Michigan strategic fund act,"

(MCL 125.2001 to 125.2094) by adding sections 90v and 90w to chapter 8F.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 90v. (1) Subject to the limitations under section 90u(9), an authorized business is eligible to receive withholding tax capture revenue payments as provided in this chapter.

(2) Except as otherwise provided under subsection (3), the fund shall issue a withholdings certificate each calendar year to an authorized business that states the following:

(a) That the eligible business is an authorized business.

(b) The amount of withholding tax capture revenues to be paid

from the H.I.R.E. Michigan fund for the designated calendar year.

(c) The authorized business's federal employer identification number or the Michigan treasury number assigned to the authorized business.

(3) The fund shall provide the department of treasury with a copy of each withholdings certificate issued under this section. On receipt of a withholdings certificate, an authorized business may request a payment from the H.I.R.E. Michigan fund by filing a copy of the withholdings certificate with the fund. The fund shall issue the withholding tax capture revenue payment from the H.I.R.E. Michigan fund not later than 90 days after receipt of the request for payment from the authorized business.

(4) If the authorized business subsequently fails to satisfy and maintain the minimum number of certified new jobs as required under this chapter or any other conditions included in the written agreement, the authorized business forfeits its withholding tax capture revenue payment for the calendar year that the authorized business fails to comply with this chapter or the written agreement. The forfeiture of a withholding tax capture revenue payment under this subsection does not extend the duration of the original written agreement. Accordingly, if the duration of the written agreement has not expired, an authorized business that satisfies all of the terms of the written agreement after a forfeiture under this subsection is entitled to certification for withholding tax capture revenue payments for those subsequent calendar years.

(5) In the event of a proposed reorganization, merger, or other change of ownership of the authorized business for which reimbursement will continue pursuant to a written agreement, the

approval of the fund is required before the assignment or transfer of the written agreement.

(6) As a condition of being an authorized business, an authorized business authorizes the fund to identify the authorized business and disclose the amount and duration of the withholding tax capture revenue payments. The fund shall publish the information described in this subsection on the fund's website and include this information in the report required under section 9.

Sec. 90w. (1) The high-wage incentive for regional employment in (H.I.R.E.) Michigan fund is created in the state treasury.

(2) The state treasurer shall deposit money and assets received under section 51f of the income tax act of 1967, 1967 PA 281, MCL 206.51f, or from any other source in the H.I.R.E. Michigan fund. The state treasurer shall direct the investment of money in the H.I.R.E. Michigan fund and credit interest and earnings from the investments to the H.I.R.E. Michigan fund.

(3) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(4) The fund is the administrator of the H.I.R.E. Michigan fund for audits of the H.I.R.E. Michigan fund.

(5) The fund shall expend money from the H.I.R.E. Michigan fund, on appropriation, only to make withholding tax capture revenue payments in accordance with a written agreement to an authorized business within 90 days after receipt of a request for payment and a copy of the withholding certificate issued under section 90v.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 579 of the 102nd Legislature is enacted into law.