



# HOUSE BILL No. 4495

March 1, 1995, Introduced by Reps. Llewellyn, Profit, Weeks, Hammerstrom, Goschka, Middaugh, Law, Gustafson, DeMars, Galloway, Bush and Jersevic and referred to the Committee on Commerce.

A bill to promote economic growth and job creation within this state; to create and regulate the Michigan economic growth authority; to prescribe the powers and duties of the authority and of state and local officials; and to provide qualifications for incentives for authorized businesses.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2 "Michigan economic growth authority act".

3       Sec. 2. The legislature finds that it is in the public  
4 interest to promote economic growth and to encourage private  
5 investment, job creation, and job upgrading for residents in this  
6 state.

7       Sec. 3. As used in this act:

1 (a) "Authorized business" means an eligible business that  
2 has been determined to be an authorized business and is eligible  
3 for the credit under section 9.

4 (b) "Authority" means the Michigan economic growth authority  
5 created under section 4.

6 (c) "Eligible business" means a business that creates new  
7 jobs in Michigan after the effective date of this act in manufac-  
8 turing, research and development, wholesale and trade, or office  
9 operations. An eligible business does not include retail estab-  
10 lishments or that portion of an eligible business used exclu-  
11 sively for retail sales.

12 (d) "Facility" means a site within this state in which an  
13 authorized business creates new jobs.

14 (e) "Local governmental unit" means a county, city, village,  
15 or township.

16 (f) "Qualified new job" means a full-time equivalent employ-  
17 ment position created by an authorized business in excess of the  
18 number of full-time equivalent employment positions in existence  
19 in the calendar year immediately preceding the calendar year in  
20 which the eligible business opens the facility.

21 Sec. 4. (1) The Michigan economic growth authority is cre-  
22 ated within the Michigan jobs commission. The Michigan jobs com-  
23 mission shall provide staff for the authority and shall carry out  
24 the administrative duties and functions as directed by the  
25 authority. The budgeting, procurement, and related functions as  
26 directed by the authority are under the supervision of the  
27 director of the Michigan jobs commission.

(2) The authority consists of the following 7 members:

(a) The director of the Michigan jobs commission, or his or her designee, as chairperson of the authority.

(b) The state treasurer or his or her designee.

(c) The director of the department of management and budget, or his or her designee.

(d) The director of the state transportation department, or his or her designee.

(e) Three other members appointed by the governor with the advice and consent of the senate who have knowledge, skill, and experience in the academic, business, local government, labor, or financial fields.

(3) A member shall be appointed for a term of 4 years, except that of the members first appointed by the governor, 1 shall be appointed for a term of 2 years and 2 for a term of 4 years from the dates of their appointments. A vacancy shall be filled for the balance of the unexpired term in the same manner as an original appointment.

(4) Except as otherwise provided by law, a member of the authority shall not receive compensation for services, but the authority may reimburse each member for expenses necessarily incurred in the performance of his or her duties.

Sec. 5. (1) The powers of the authority are vested in the authority members in office. Regardless of the existence of a vacancy, a majority of the members of the authority constitutes a quorum necessary for the transaction of business at a meeting or the exercise of a power or function of the authority. Action may

1 be taken by the authority at a meeting upon a vote of the  
2 majority of the members present.

3 (2) The authority shall meet at the call of the chairperson  
4 or as may be provided in the bylaws of the authority. Meetings  
5 of the authority may be held anywhere within this state.

6 Sec. 6. In addition to other powers and duties provided in  
7 this act, the authority has all of the following powers and  
8 duties:

9 (a) To determine which eligible businesses meet the criteria  
10 established in sections 7 and 8 and are eligible for the credit  
11 provided in section 9.

12 (b) To promulgate rules pursuant to the administrative pro-  
13 cedures act of 1969, Act No. 306 of the Public Acts of 1969,  
14 being sections 24.201 to 24.328 of the Michigan Compiled Laws,  
15 necessary to carry out the purposes of this act.

16 (c) To assist an eligible business to obtain the benefits of  
17 an incentive or inducement program provided by law and the bene-  
18 fits of this act.

19 Sec. 7. An eligible business that meets all of the follow-  
20 ing criteria may apply to the authority for designation as a  
21 authorized business:

22 (a) The eligible business creates a minimum of 75 qualified  
23 new jobs if expanding in this state or 150 qualified new jobs if  
24 locating in this state, within 12 months of opening the  
25 facility.

26 (b) The eligible business agrees to maintain a minimum of 75  
27 qualified new jobs if expanding in this state or a minimum of 150

1 qualified new jobs if locating in this state for each year that a  
2 credit is received under this act.

3 (c) The eligible business, if expanding, agrees to maintain  
4 a number of employees greater than the number maintained in the  
5 year immediately preceding that eligible business opening the  
6 facility.

7 (d) The average wage paid for all qualified new jobs is  
8 equal to or exceeds the average wage paid by private entities  
9 within that county.

10 (e) The eligible business certifies that the expansion or  
11 location would not have occurred in this state without the incen-  
12 tives offered under this act.

13 (f) The local governmental unit in which the eligible busi-  
14 ness is located will make a financial or economic commitment to  
15 the eligible business for the expansion or location.

16 (g) The eligible business, if already located within this  
17 state, commits to retain current employees in addition to the new  
18 jobs created in the expansion or relocation.

19 (h) The eligible business has not begun construction or pub-  
20 licly announced a specific location of the facility.

21 Sec. 8. (1) Upon receipt of the application of an eligible  
22 business, the authority shall determine whether the eligible  
23 business meets the criteria established in section 7 and the fol-  
24 lowing criteria:

25 (a) The expansion or relocation will benefit the people of  
26 this state by increasing opportunities for employment and by  
27 strengthening the economy of this state.

1 (b) The incentives granted under this act are needed due to  
2 a significant cost disparity, including economic incentives  
3 offered by a competing state, between this state and the compet-  
4 ing state.

5 (c) The eligible business has a sound financial record based  
6 on the financial statements of the last 3 years.

7 (2) If the authority determines that an eligible business  
8 meets the requirements of this section and the authority and the  
9 eligible business enter into a written agreement under subsection  
10 (3), then that eligible business is an authorized business and  
11 eligible for the credit under section 9.

12 (3) Before an eligible business can become an authorized  
13 business under subsection (2), the authority and the eligible  
14 business shall enter into a written agreement that addresses, but  
15 need not be limited to, all of the following:

16 (a) Conditions upon which the designation is made.

17 (b) A statement by the eligible business that a misrepresen-  
18 tation in the application or a violation of the written agreement  
19 may result in the revocation of the designation as an authorized  
20 business and the loss or reduction of the credit under section  
21 9.

22 (4) If the authority determines that an eligible business  
23 meets the criteria established under this act, the authority  
24 shall determine the length of the credits under section 9, not to  
25 exceed 20 years, and the percentage amount for the credits under  
26 section 9 that the authorized business may receive.

1 (5) If the authority determines that an eligible business  
2 does not meet the criteria established under this act to become  
3 an authorized business, the authority shall notify the eligible  
4 business within 30 days after the determination, in writing, of  
5 the reasons for the adverse determination. The eligible business  
6 may appeal the adverse determination to the authority within 60  
7 days after the receipt of the adverse determination.

8 Sec. 9. Subject to section 8, an authorized business is  
9 eligible for the credits provided in sections 37c and 37d of the  
10 single business tax act, Act No. 228 of the Public Acts of 1975,  
11 being sections 208.37c and 208.37d of the Michigan Compiled  
12 Laws.

13 Sec. 10. The authority shall report to both houses of the  
14 legislature yearly on October 1 on the activities of the author-  
15 ity and provide a listing of all authorized businesses under this  
16 act.