

# SENATE BILL No. 869

November 2, 1999, Introduced by Senators MURPHY, HART, V. SMITH, PETERS, MILLER, LELAND, EMERSON, A. SMITH and DINGELL and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1995 PA 24, entitled  
"Michigan economic growth authority act,"  
by amending section 8 (MCL 207.808).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 8. (1) After receipt of an application, the authority  
2 may enter into an agreement with an eligible business for a tax  
3 credit under section 9 if the authority determines that all of  
4 the following are met:

5       (a) The eligible business creates a minimum of 75 qualified  
6 new jobs at the facility if expanding in this state, 150 quali-  
7 fied new jobs at the facility if locating in this state, or 25  
8 qualified new jobs at the facility if the facility is located in  
9 a neighborhood enterprise zone as determined under the  
10 neighborhood enterprise zone act, ~~Act No. 147 of the Public Acts~~  
11 ~~of 1992, being sections 207.771 to 207.787 of the Michigan~~



1 ~~Compiled Laws~~ 1992 PA 147, MCL 207.771 TO 207.787, or is located  
2 in a federally designated empowerment zone, rural enterprise com-  
3 munity, or enterprise community, within 12 months of the expan-  
4 sion or location as determined by the authority.

5 (b) The eligible business agrees to maintain a minimum of 75  
6 qualified new jobs at the facility if expanding in this state, a  
7 minimum of 150 qualified new jobs at the facility if locating in  
8 this state, or 25 qualified new jobs at the facility if the  
9 facility is located in a neighborhood enterprise zone as deter-  
10 mined under the neighborhood enterprise zone act, ~~Act No. 147 of~~  
11 ~~the Public Acts of 1992, being sections 207.771 to 207.787 of the~~  
12 ~~Michigan Compiled Laws~~ 1992 PA 147, MCL 207.771 TO 207.787, or  
13 is located in a federally designated empowerment zone, rural  
14 enterprise community, or enterprise community, for each year that  
15 a credit is authorized under this act.

16 (c) In addition to the jobs specified in subdivision (b),  
17 the eligible business, if already located within this state,  
18 agrees to maintain a number of full-time jobs equal to or greater  
19 than the number of full-time jobs it maintained in this state  
20 prior to the expansion, as determined by the authority.

21 (d) The average wage paid for all qualified new jobs is  
22 equal to or greater than 150% of the federal minimum wage.

23 (e) The expansion or location of the eligible business will  
24 not occur in this state without the tax credits offered under  
25 this act.

26 (f) The local governmental unit in which the eligible  
27 business will expand or be located, or a local economic

1 development corporation or similar entity, will make a staff,  
2 financial, or economic commitment to the eligible business for  
3 the expansion or location.

4 (g) The financial statements of the eligible business indi-  
5 cated that it is financially sound and that its plans for the  
6 expansion or location are economically sound.

7 (h) The eligible business has not begun construction of the  
8 facility.

9 (i) The expansion or location of the eligible business will  
10 benefit the people of this state by increasing opportunities for  
11 employment and by strengthening the economy of this state.

12 (j) The tax credits offered under this act are an incentive  
13 to expand or locate the eligible business in Michigan and address  
14 the competitive disadvantages with sites outside this state.

15 (k) A cost/benefit analysis reveals that authorizing the  
16 eligible company to receive tax credits under this act will  
17 result in an overall positive fiscal impact to the state.

18 (l) If feasible, as determined by the authority, in locating  
19 the facility, the authorized business reuses or redevelops prop-  
20 erty that was previously used for an industrial or commercial  
21 purpose.

22 (m) That the expansion or location of the qualified business  
23 will not have the effect of transferring employment from 1 or  
24 more local governmental units to the local governmental unit in  
25 which the facility is to be located unless the legislative body  
26 of each local governmental unit from which employment is to be  
27 transferred consents by resolution to the transfer.

1 (N) THE ELIGIBLE BUSINESS HAS COMMITTED TO PROVIDE MEDICAL  
2 INSURANCE BENEFITS TO ALL OF ITS FULL-TIME EMPLOYEES.

3 (2) If the authority determines that the requirements of  
4 subsection (1) have been met, the authority shall determine the  
5 amount and duration of tax credits to be authorized under section  
6 9, and shall enter into a written agreement as provided in this  
7 section. The duration of the tax credits shall not exceed 20  
8 years. In determining the amount and duration of tax credits  
9 authorized, the authority shall consider the following factors:

10 (a) The number of qualified new jobs to be created.

11 (b) The average wage level of the qualified new jobs rela-  
12 tive to the average wage paid by private entities in the county  
13 in which the facility is located.

14 (c) The total capital investment the eligible business will  
15 make.

16 (d) The cost differential to the business between expanding  
17 or locating in Michigan and a site outside of Michigan.

18 (e) The potential impact of the expansion or location on the  
19 economy of Michigan.

20 (f) The cost of the ~~credit~~ CREDITS under section 9, the  
21 staff, financial, or economic assistance provided by the local  
22 government unit, or local economic development corporation or  
23 similar entity, and the value of assistance otherwise provided by  
24 the state.

25 (3) A written agreement between an eligible business and the  
26 authority shall include, but need not be limited to, all of the  
27 following:

1 (a) A description of the business expansion or location that  
2 is the subject of the agreement.

3 (b) Conditions upon which the authorized business designa-  
4 tion is made.

5 (c) A statement by the eligible business that a violation of  
6 the written agreement may result in the revocation of the desig-  
7 nation as an authorized business and the loss or reduction of  
8 future credits under section 9.

9 (d) A statement by the eligible business that a misrepresen-  
10 tation in the application may result in the revocation of the  
11 designation as an authorized business and the refund of credits  
12 received under section 9.

13 (e) A method for measuring full-time jobs prior to and after  
14 an expansion or location of an authorized business in this  
15 state.

16 (f) A written certification from the eligible business  
17 regarding all of the following:

18 (i) The eligible business will follow a competitive bid pro-  
19 cess for the construction, rehabilitation, development, or reno-  
20 vation of the facility, and that this process will be open to all  
21 Michigan residents and firms. The eligible business may not dis-  
22 criminate against any contractor on the basis of its affiliation  
23 or nonaffiliation with any collective bargaining organization.

24 (ii) The eligible business will make a good faith effort to  
25 employ, if qualified, Michigan residents at the facility.

1       (iii) The eligible business will make a good faith effort to  
2 employ or contract with Michigan residents and firms to  
3 construct, rehabilitate, develop, or renovate the facility.

4       (g) If the authority determines that it is necessary to pro-  
5 vide infrastructure assistance for the location or expansion of  
6 an eligible business within an international tradeport develop-  
7 ment zone under the international tradeport development authority  
8 act, ~~Act No. 325 of the Public Acts of 1994, being~~  
9 ~~sections 125.2521 to 125.2546 of the Michigan Compiled Laws 1994~~  
10 PA 325, MCL 125.2521 TO 125.2546, a statement that if the autho-  
11 rized business locates or expands within that international  
12 tradeport development zone, that all or a portion of the tax  
13 credit received each year by the authorized business, as deter-  
14 mined by the authority, shall be assigned by the authorized busi-  
15 ness to the international tradeport development authority for  
16 infrastructure improvements within the international tradeport  
17 development zone under ~~Act No. 325 of the Public Acts of 1994~~  
18 THE INTERNATIONAL TRADEPORT DEVELOPMENT AUTHORITY ACT, 1994 PA  
19 325, MCL 125.2521 TO 125.2546.

20       (4) Upon execution of a written agreement as provided in  
21 this section, an eligible business is an authorized business.

22       (5) The authority shall not execute more than 25 new written  
23 agreements each year.