

# HOUSE BILL No. 6034

May 4, 2006, Introduced by Reps. Huizenga, Baxter, David Law, Pavlov, Emmons, Jones, Green, Wenke, Schuitmaker, Palsrok, Hildenbrand, Marleau, Dillon, Meisner, Tobocman, Murphy, Hunter, Plakas, Mayes, Condino, Byrum, Byrnes, Mortimer, Casperson, Moore, Proos, Acciavatti, Ball and Cheeks and referred to the Committee on Commerce.

A bill to amend 1995 PA 24, entitled  
"Michigan economic growth authority act,"  
by amending section 3 (MCL 207.803), as amended by 2006 PA 21.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3. As used in this act:

2       (a) "Affiliated business" means a business that is 100% owned  
3 and controlled by an associated business.

4       (b) "Associated business" means a business that owns at least  
5 50% of and controls, directly or indirectly, an authorized  
6 business.

7       (c) "Authorized business" means 1 of the following:

8       (i) A single eligible business with a unique federal employer  
9 identification number that has met the requirements of section 8  
10 and with which the authority has entered into a written agreement  
11 for a tax credit under section 9.

12       (ii) A single eligible business with a unique federal employer

1 identification number that has met the requirements of section 8,  
2 except as provided in this subparagraph, and with which the  
3 authority has entered into a written agreement for a tax credit  
4 under section 9. An eligible business is not required to create  
5 qualified new jobs or maintain retained jobs if qualified new jobs  
6 are created or retained jobs are maintained by an associated or  
7 affiliated business.

8 (iii) A single eligible business with a unique federal employer  
9 identification number that has met the requirements of section 8,  
10 except as provided in this subparagraph, and with which the  
11 authority has entered into a written agreement for a tax credit  
12 under section 9. An eligible business is not required to create  
13 qualified new jobs or maintain retained jobs if qualified new jobs  
14 are created or retained jobs are maintained by a subsidiary  
15 business that withholds income and social security taxes, or an  
16 employee leasing company or professional employer organization that  
17 has entered into a contractual service agreement with the  
18 authorized business in which the employee leasing company or  
19 professional employer organization withholds income and social  
20 security taxes on behalf of the authorized business.

21 (d) "Authority" means the Michigan economic growth authority  
22 created under section 4.

23 (e) "Business" means proprietorship, joint venture,  
24 partnership, limited liability partnership, trust, business trust,  
25 syndicate, association, joint stock company, corporation,  
26 cooperative, limited liability company, or any other organization.

27 (f) "Distressed business" means a business that meets all of

1 the following as verified by the Michigan economic growth  
2 authority:

3 (i) Four years immediately preceding the application to the  
4 authority under this act, the business had 150 or more full-time  
5 jobs in this state.

6 (ii) Within the immediately preceding 4 years, there has been a  
7 reduction of not less than 30% of the number of full-time jobs in  
8 this state during any consecutive 3-year period. The highest number  
9 of full-time jobs within the consecutive 3-year period shall be  
10 used in order to determine the percentage reduction of full-time  
11 jobs in this subparagraph.

12 (iii) Is not a seasonal employer as defined in section 27 of the  
13 Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.27.

14 (g) "Eligible business" means a distressed business or  
15 business that proposes to maintain retained jobs after December 31,  
16 1999 or to create qualified new jobs in this state after April 18,  
17 1995 in manufacturing, mining, research and development, wholesale  
18 and trade, or office operations or a business that is a qualified  
19 high-technology business. An eligible business does not include  
20 retail establishments, professional sports stadiums, or that  
21 portion of an eligible business used exclusively for retail sales.  
22 Professional sports stadium does not include a sports stadium in  
23 existence on June 6, 2000 that is not used by a professional sports  
24 team on the date that an application related to that professional  
25 sports stadium is filed under section 8.

26 (h) "Facility" means a site or sites within this state in  
27 which an authorized business or subsidiary businesses maintains

1 retained jobs or creates qualified new jobs.

2 (i) "Full-time job" means a job performed by an individual  
3 who is employed by an authorized business or an employee leasing  
4 company or professional employer organization on behalf of the  
5 authorized business for consideration for 35 hours or more each  
6 week and for which the authorized business or an employee leasing  
7 company or professional employer organization on behalf of the  
8 authorized business withholds income and social security taxes.

9 (j) "Local governmental unit" means a county, city, village,  
10 or township in this state.

11 (k) "High-technology activity" means 1 or more of the  
12 following:

13 (i) Advanced computing, which is any technology used in the  
14 design and development of any of the following:

15 (A) Computer hardware and software.

16 (B) Data communications.

17 (C) Information technologies.

18 (ii) Advanced materials, which are materials with engineered  
19 properties created through the development of specialized process  
20 and synthesis technology.

21 (iii) Biotechnology, which is any technology that uses living  
22 organisms, cells, macromolecules, microorganisms, or substances  
23 from living organisms to make or modify a product, improve plants  
24 or animals, or develop microorganisms for useful purposes.  
25 Biotechnology does not include human cloning as defined in section  
26 16274 of the public health code, 1978 PA 368, MCL 333.16274, or  
27 stem cell research with embryonic tissue.

1           (iv) Electronic device technology, which is any technology that  
2 involves microelectronics, semiconductors, electronic equipment,  
3 and instrumentation, radio frequency, microwave, and millimeter  
4 electronics, and optical and optic-electrical devices, or data and  
5 digital communications and imaging devices.

6           (v) Engineering or laboratory testing related to the  
7 development of a product.

8           (vi) Technology that assists in the assessment or prevention of  
9 threats or damage to human health or the environment, including,  
10 but not limited to, environmental cleanup technology, pollution  
11 prevention technology, or development of alternative energy  
12 sources.

13           (vii) Medical device technology, which is any technology that  
14 involves medical equipment or products other than a pharmaceutical  
15 product that has therapeutic or diagnostic value and is regulated.

16           (viii) Product research and development.

17           (ix) Advanced vehicles technology, which is any technology that  
18 involves electric vehicles, hybrid vehicles, or alternative fuel  
19 vehicles, or components used in the construction of electric  
20 vehicles, hybrid vehicles, or alternative fuel vehicles. For  
21 purposes of this act:

22           (A) "Electric vehicle" means a road vehicle that draws  
23 propulsion energy only from an on-board source of electrical  
24 energy.

25           (B) "Hybrid vehicle" means a road vehicle that can draw  
26 propulsion energy from both a consumable fuel and a rechargeable  
27 energy storage system.

1 (x) Tool and die manufacturing.

2 (l) "New capital investment" means 1 or more of the following:

3 (i) New construction. As used in this subparagraph:

4 (A) "New construction" means property not in existence on the  
5 date the authorized business enters into a written agreement with  
6 the authority and not replacement construction. New construction  
7 includes the physical addition of equipment or furnishings, subject  
8 to section 27(2)(a) to (o) of the general property tax act, 1893 PA  
9 206, MCL 211.27.

10 (B) "Replacement construction" means that term as defined in  
11 section 34d(1)(b)(v) of the general property tax act, 1893 PA 206,  
12 MCL 211.34d.

13 (ii) The purchase of new personal property. As used in this  
14 subparagraph, "new personal property" means personal property that  
15 is not subject to or that is exempt from the collection of taxes  
16 under the general property tax act, 1893 PA 206, MCL 211.1 to  
17 211.157, on the date the authorized business enters into a written  
18 agreement with the authority.

19 (m) "Qualified high-technology business" means a business **OR**  
20 **FACILITY** that is either of the following:

21 (i) A business with not less than 25% of the total operating  
22 expenses of the business used for research and development in the  
23 tax year in which the business files an application under this act  
24 as determined under generally accepted accounting principles and  
25 verified by the authority.

26 (ii) A business **OR FACILITY** whose primary business activity is  
27 high-technology activity.

1 (n) "Qualified new job" means 1 of the following:

2 (i) A full-time job created by an authorized business at a  
3 facility that is in excess of the number of full-time jobs the  
4 authorized business maintained in this state prior to the expansion  
5 or location, as determined by the authority.

6 (ii) For jobs created after July 1, 2000, a full-time job at a  
7 facility created by an eligible business that is in excess of the  
8 number of full-time jobs maintained by that eligible business in  
9 this state 120 days before the eligible business became an  
10 authorized business, as determined by the authority.

11 (iii) For a distressed business, a full-time job at a facility  
12 that is in excess of the number of full-time jobs maintained by  
13 that eligible business in this state on the date the eligible  
14 business became an authorized business.

15 (o) "Retained jobs" means the number of full-time jobs at a  
16 facility of an authorized business maintained in this state on a  
17 specific date as that date and number of jobs is determined by the  
18 authority.

19 (p) "Rural business" means an eligible business located in a  
20 county with a population of 80,000 or less.

21 (q) "Subsidiary business" means a business that is directly or  
22 indirectly controlled or at least 80% owned by an authorized  
23 business.

24 (r) "Written agreement" means a written agreement made  
25 pursuant to section 8.