



Senate Fiscal Agency
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Senate Bill 71 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Nancy Cassis
Committee: Finance

CONTENT

The bill would amend the Michigan Economic Growth Authority (MEGA) Act to do the following:

- Require the Auditor General to audit MEGA's annual report to the Legislature and include his or her audit findings with the report before MEGA could submit it.
- Require MEGA to report to the chairpersons of the Senate Appropriations and Finance Committees, the House of Representatives Appropriations and Tax Policy Committees, and the directors of the Senate and House Fiscal Agencies, beginning October 1, 2009, and each subsequent year, and upon the written request of a chairperson or director.
- Require MEGA to include additional information in its annual report.

Under the Act, MEGA must report on its activities to both houses of the Legislature yearly on October 1. Under the bill, in addition to the information currently required, the report would have to include the amount of capital investment required and the number of jobs required to be created or retained for each authorized business to be eligible for the tax credits under the Act. For each written agreement with each authorized business, the report would have to include the actual number of jobs created or retained, the total capital investment at that facility, and the total value of the tax credits received for that year and all previous years under the written agreement. The report also would have to include a copy of each certificate issued by MEGA to a business for a credit against its liability under the Michigan Business Tax Act.

MCL 207.810

Legislative Analyst: Craig Laurie

FISCAL IMPACT

The additional reporting requirements proposed in the bill would increase the administrative responsibilities of the Michigan Strategic Fund, in particular in FY 2008-09 when it would be necessary to compile the historical data for the report due on October 1, 2009. It is likely that these costs could be absorbed within the agency's existing appropriations.

The Legislative Auditor General could incur additional costs to audit the required report. Depending on the staff time needed to perform the audit, additional appropriations could be required to hire additional personnel.

Date Completed: 2-12-09

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