

# SENATE BILL No. 242

March 15, 2017, Introduced by Senators STAMAS, SCHMIDT, HORN, HANSEN,  
KOWALL, KNEZEK, HILDENBRAND and MEEKHOF and referred to the Committee  
on Economic Development and International Investment.

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending section 9 (MCL 125.2009), as amended by 2014 PA 503,  
and by adding chapter 8D.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 9. (1) The fund shall transmit to each member of the  
2 legislature, the governor, the clerk of the house of  
3 representatives, the secretary of the senate, and the senate and  
4 house fiscal agencies annually a report of its activities. The  
5 report shall be transmitted not later than April 10 of each year  
6 for activities in the immediately preceding state fiscal year. The  
7 report shall not include information exempt from disclosure under  
8 section 5. The report shall include, but is not limited to, all of  
9 the following for each program operated under this act:

10           (a) A list of entities that received financial assistance.

1 (b) The type of project or product being financed.

2 (c) The amount and type of financial assistance.

3 (d) For each separate form of financial assistance, all of the  
4 following:

5 (i) The number of new jobs committed or projected when the  
6 financial assistance was applied for.

7 (ii) The number of retained jobs committed or projected when  
8 the financial assistance was applied for.

9 (iii) The actual number of new jobs created that are not  
10 temporary employees.

11 (iv) The actual number of retained jobs that are not temporary  
12 employees.

13 (v) The average annual salary of the new jobs created that are  
14 not temporary employees.

15 (vi) The average annual salary of the retained jobs that are  
16 not temporary employees.

17 (e) The duration of the financial assistance.

18 (f) The amount of financial support other than state  
19 resources.

20 (g) Money or other revenue or property returned to the fund,  
21 including any repayments through a clawback provision in the  
22 agreement.

23 (h) The status of all loans of the fund.

24 (i) A list of all entities that are in bankruptcy, that the  
25 fund has received actual notice of, filed by a direct recipient of  
26 an active single incentive of at least \$500,000.00. In addition,  
27 the fund shall, within 120 days after the fund receives notice,

1 provide a report of the notice of bankruptcy on its website and  
2 shall forward the report to each of the following:

3 (i) The senate majority leader and the senate minority leader.

4 (ii) The speaker of the house and the house minority leader.

5 (iii) The members of the house commerce committee.

6 (iv) The members of the house appropriations subcommittee on  
7 general government.

8 (v) The members of the senate economic development committee.

9 (vi) The members of the senate appropriations subcommittee on  
10 general government.

11 (j) A summary of the approximate administrative costs used to  
12 administer the programs and activities authorized under this act.

13 (k) Any other information as required in this section.

14 (2) The auditor general or a certified public accountant  
15 appointed by the auditor general annually shall conduct and remit  
16 to the legislature an audit of the fund and, in the conduct of the  
17 audit, shall have access to all records of the fund at any time,  
18 whether or not confidential. Each audit required by this section  
19 shall include a determination of whether the fund is likely to be  
20 able to continue to meet its obligations, including a report on the  
21 status of outstanding loans and agreements made by the fund.

22 (3) The fund shall also transmit the audit described in  
23 subsection (2) to the chairperson and minority vice-chairperson of  
24 the senate appropriations subcommittee on general government and  
25 the house of representatives appropriations subcommittee on general  
26 government. The fund shall make the report and audit available to  
27 the public on the fund's website.

1           (4) The report described in subsection (1) shall also contain  
2 all of the following that are related to a 21st century investment  
3 made by the fund board under chapter 8A:

4           (a) The amount of qualified venture capital fund investments,  
5 qualified mezzanine fund investments, and qualified private equity  
6 fund investments under management in this state, including year-to-  
7 year growth.

8           (b) The value of loan enhancement program investments,  
9 qualified private equity fund investments, qualified mezzanine fund  
10 investments, and qualified venture capital investments in qualified  
11 businesses, including year-to-year growth.

12           (c) A statement of the amount of money in each loan reserve  
13 fund established under the small business capital access program  
14 required under chapter 8A.

15           (5) The report described in subsection (1) shall also include,  
16 but is not limited to, all of the following for all actions under  
17 section 88r:

18           (a) The total actual amount of qualified investment attracted  
19 under section 88r as reported to the fund.

20           (b) The total actual number of new jobs created under section  
21 88r as reported to the fund.

22           (c) The actual amount of the grant, loan, or other economic  
23 assistance made under section 88r separately for each qualified  
24 business verified by the fund.

25           (d) For each qualified business, whether it is a new business,  
26 whether it is an expansion of an existing business, or whether it  
27 relocated from outside of this state.

1 (e) An evaluation of the aggregate return on investment that  
2 this state realizes on the actual qualified new jobs and actual  
3 qualified investment made by qualified businesses.

4 (6) The report described in subsection (1) shall also include,  
5 but is not limited to, all of the following for all actions under  
6 chapter 8B:

7 (a) For tourism promotion efforts, all of the following:

8 (i) An itemized list, by market, of how much was spent, types  
9 of media purchased, and target of the tourism promotion campaign.

10 (ii) The return on investment analysis that utilizes existing  
11 baseline data and compares results with prior outcome evaluations  
12 funded by Travel Michigan.

13 (b) For business development efforts, all of the following:

14 (i) An itemized list, by market, of how much was spent, types  
15 of media purchased, and target of the business promotion campaign.

16 (ii) A performance analysis that compares the program or  
17 campaign objectives and outcome of the campaign or program.

18 (7) The report described in subsection (1) shall also include,  
19 but is not limited to, all of the following for all actions under  
20 section 90d:

21 (a) The total actual amount of private investment attracted  
22 under section 90d as reported to the fund.

23 (b) The actual amount of the community revitalization  
24 incentives made under chapter 8C separately for each project.

25 (c) The total actual amount of square footage revitalized or  
26 added for each project approved under section 90d as reported to  
27 the fund. When reporting square footage, the person must report the

1 square footage by category, including, but not limited to,  
2 commercial, residential, or retail.

3 (d) The aggregate increase in taxable value of all property  
4 subject to a written agreement under chapter 8C when established  
5 and recorded by the local units of government and as reported to  
6 the fund.

7 (e) The total actual number of residential units revitalized  
8 or added for each project approved under section 90d as reported to  
9 the fund.

10 (f) Each project that received a community revitalization  
11 incentive outside the fund program standards and guidelines and why  
12 the variance was given.

13 (8) Beginning on and after January 1, 2012, on a monthly basis  
14 the fund shall provide exact copies of all information regarding  
15 all actions under chapter 8C that is provided to board members of  
16 the fund for the purpose of monthly board meetings, subject to  
17 confidentiality under section 5, to each of the following and post  
18 that information on the fund's website:

19 (a) The chairperson and minority vice-chairperson of the house  
20 commerce committee.

21 (b) The chairperson and minority vice-chairperson of the house  
22 appropriations subcommittee on general government.

23 (c) The chairperson and minority vice-chairperson of the  
24 senate economic development committee.

25 (d) The chairperson and minority vice-chairperson of the  
26 senate appropriations subcommittee on general government.

27 (9) The report described in subsection (1) shall also include

1 a summary of the approximate administrative costs used to  
2 administer the programs and activities authorized in the following  
3 sections:

4 (a) Section 88b.

5 (b) Section 88h.

6 (c) Section 90b.

7 (10) The report described in subsection (1) shall also  
8 include, but is not limited to, all of the following for all  
9 actions for business incubators approved by the fund after the  
10 ~~effective date of the amendatory act that added this~~  
11 ~~subsection~~ **JANUARY 14, 2015:**

12 (a) The number of new jobs created and projected new job  
13 growth by current clients of the business incubator.

14 (b) Amounts of other funds leveraged by current clients of the  
15 business incubator.

16 (c) Increases in revenue for current clients of the business  
17 incubator.

18 (11) The report described in subsection (1) shall also include  
19 the actual repayments received by the fund for failure to comply  
20 with clawback provisions of the written agreement under all of the  
21 following:

22 (a) Section 78.

23 (b) Section 88d.

24 (c) Section 88k.

25 (d) Section 88q.

26 (e) Section 88r.

27 (f) Section 90b.

1           (12) Beginning on July 1, 2015, the fund shall post on the  
2 fund's website a list of each contract, agreement, or other written  
3 loan or grant documentation for financial assistance under sections  
4 88r and 90b that the fund entered into or modified in the  
5 immediately preceding fiscal year.

6           (13) Beginning on July 1, 2015, the fund shall post and update  
7 periodically all of the following on its website for all loans made  
8 under sections 88r and 90b:

9           (a) A description of the project for which the loan was made.

10           (b) The total amount of the loan.

11           (c) Whether payments on the loan balance are current or  
12 delinquent.

13           (d) The interest rate of the loan.

14           (14) Beginning July 1, 2015, the report described in  
15 subsection (1) shall also contain all of the following for each  
16 program that provides financial assistance under this act that  
17 requires a site visit:

18           (a) A copy of the site visit guidelines for that program.

19           (b) The number of site visits conducted under that program.

20           (c) The chief compliance officer shall review and evaluate  
21 compliance with the site visit guidelines.

22           (15) The fund shall post on its website and update  
23 periodically all of the information described in subsection (14).

24           **(16) THE REPORT DESCRIBED IN SUBSECTION (1) MUST ALSO INCLUDE,**  
25 **BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING FOR ALL WRITTEN**  
26 **AGREEMENTS RELATED TO THE GOOD JOBS FOR MICHIGAN PROGRAM CREATED**  
27 **UNDER CHAPTER 8D:**

1 (A) THE NAME OF THE AUTHORIZED BUSINESS.

2 (B) THE NUMBER OF CERTIFIED NEW JOBS REQUIRED TO BE  
3 MAINTAINED.

4 (C) THE AMOUNT AND DURATION OF THE WITHHOLDING TAX CAPTURE  
5 REVENUES.

6 (17) ~~(16)~~As used in this section, "financial assistance"  
7 means grants, loans, other economic assistance, and any other  
8 incentives or assistance under this act.

9 CHAPTER 8D

10 SEC. 90G. AS USED IN THIS CHAPTER:

11 (A) "AUTHORIZED BUSINESS" MEANS AN ELIGIBLE BUSINESS THAT HAS  
12 MET THE REQUIREMENTS OF THIS CHAPTER AND WITH WHICH THE FUND HAS  
13 ENTERED INTO A WRITTEN AGREEMENT FOR WITHHOLDING TAX CAPTURE  
14 REVENUES PURSUANT TO THIS CHAPTER AND SECTION 51F OF THE INCOME TAX  
15 ACT OF 1967, 1967 PA 281, MCL 206.51F.

16 (B) "CASINO" MEANS A CASINO REGULATED BY THIS STATE UNDER THE  
17 MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.201 TO  
18 432.226, A CASINO AT WHICH GAMING IS CONDUCTED UNDER THE INDIAN  
19 GAMING REGULATORY ACT, PUBLIC LAW 100-497, 102 STAT 2467, OR  
20 PROPERTY ASSOCIATED OR AFFILIATED WITH THE OPERATION OF EITHER TYPE  
21 OF CASINO DESCRIBED IN THIS SUBDIVISION, INCLUDING, BUT NOT LIMITED  
22 TO, A PARKING LOT, HOTEL, OR MOTEL.

23 (C) "CERTIFIED NEW JOB" MEANS A FULL-TIME JOB CREATED BY AN  
24 AUTHORIZED BUSINESS AT A FACILITY IN THIS STATE THAT IS IN EXCESS  
25 OF THE NUMBER OF FULL-TIME JOBS THAT AUTHORIZED BUSINESS MAINTAINED  
26 IN THIS STATE PRIOR TO THE EXPANSION OR LOCATION, AS DETERMINED BY  
27 THE FUND.

1 (D) "ELIGIBLE BUSINESS" MEANS A BUSINESS THAT PROPOSES TO  
2 CREATE A MINIMUM OF 500 CERTIFIED NEW JOBS IN THIS STATE WITH AN  
3 AVERAGE ANNUAL WAGE THAT IS EQUAL TO OR GREATER THAN THE PROSPERITY  
4 REGION AVERAGE WAGE OR, IF THE BUSINESS PROPOSES TO PAY AN AVERAGE  
5 ANNUAL WAGE THAT IS EQUAL TO 125% OR MORE OF THE PROSPERITY REGION  
6 AVERAGE WAGE, 250 CERTIFIED NEW JOBS. AN ELIGIBLE BUSINESS DOES NOT  
7 INCLUDE RETAIL ESTABLISHMENTS, PROFESSIONAL SPORTS STADIUMS,  
8 CASINOS, OR THAT PORTION OF AN ELIGIBLE BUSINESS USED EXCLUSIVELY  
9 FOR RETAIL SALES.

10 (E) "FACILITY" MEANS A SITE OR SITES WITHIN THIS STATE IN  
11 WHICH AN AUTHORIZED BUSINESS CREATES CERTIFIED NEW JOBS.

12 (F) "FULL-TIME JOB" MEANS A FULL-TIME JOB AS DETERMINED BY THE  
13 FUND PERFORMED BY AN INDIVIDUAL WHOSE INCOME AND SOCIAL SECURITY  
14 TAXES ARE WITHHELD BY 1 OR MORE OF THE FOLLOWING:

15 (i) AN AUTHORIZED BUSINESS.

16 (ii) AN EMPLOYEE LEASING COMPANY.

17 (iii) A PROFESSIONAL EMPLOYER ORGANIZATION ON BEHALF OF THE  
18 AUTHORIZED BUSINESS.

19 (G) "GOOD JOBS FOR MICHIGAN FUND" MEANS THE GOOD JOBS FOR  
20 MICHIGAN FUND CREATED IN SECTION 90J.

21 (H) "INITIAL WITHHOLDING TAX VALUE" MEANS THE AMOUNT OF INCOME  
22 TAX WITHHELD UNDER PART 3 OF THE INCOME TAX ACT OF 1967, 1967 PA  
23 281, MCL 206.701 TO 206.713, FROM INDIVIDUALS EMPLOYED BY THE  
24 AUTHORIZED BUSINESS FOR THE CALENDAR YEAR IN WHICH THE WRITTEN  
25 AGREEMENT WAS ENTERED.

26 (I) "MUNICIPALITY" MEANS THAT TERM AS DEFINED IN SECTION 4.

27 (J) "PROSPERITY REGION" MEANS EACH OF THE 10 PROSPERITY

1 REGIONS IDENTIFIED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND  
2 BUDGET ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS  
3 SECTION.

4 (K) "PROSPERITY REGION AVERAGE WAGE" MEANS THE AVERAGE ANNUAL  
5 WAGE FOR THE PROSPERITY REGION WHERE THE FACILITY IS LOCATED BASED  
6 ON THE MOST RECENT DATA MADE AVAILABLE BY THE MICHIGAN BUREAU OF  
7 LABOR MARKET INFORMATION AND STRATEGIC INITIATIVES.

8 (I) "WITHHOLDING TAX CAPTURE REVENUES" MEANS THE AMOUNT FOR  
9 EACH CALENDAR YEAR BY WHICH THE INCOME TAX WITHHELD UNDER PART 3 OF  
10 THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.701 TO 206.713,  
11 FROM INDIVIDUALS EMPLOYED WITHIN CERTIFIED NEW JOBS EXCEEDS THE  
12 INITIAL WITHHOLDING TAX VALUE. TO CALCULATE WITHHOLDING TAX CAPTURE  
13 REVENUES FOR A CALENDAR YEAR UNDER THIS CHAPTER, THE STATE  
14 TREASURER SHALL DEVELOP METHODS AND PROCESSES THAT ARE NECESSARY  
15 FOR EACH AUTHORIZED BUSINESS TO REPORT THE AMOUNT OF WITHHOLDING  
16 UNDER PART 3 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL  
17 206.701 TO 206.713, FROM INDIVIDUALS EMPLOYED WITHIN CERTIFIED NEW  
18 JOBS.

19 (M) "WRITTEN AGREEMENT" MEANS A WRITTEN AGREEMENT MADE BETWEEN  
20 THE ELIGIBLE BUSINESS AND THE FUND PURSUANT TO THIS CHAPTER.

21 SEC. 90H. (1) THE FUND SHALL CREATE AND OPERATE THE GOOD JOBS  
22 FOR MICHIGAN PROGRAM TO AUTHORIZE THE TRANSFER OF THE DEDICATED  
23 PORTION OF WITHHOLDING TAX CAPTURE REVENUES TO AUTHORIZED  
24 BUSINESSES THAT PROVIDE CERTIFIED NEW JOBS IN THIS STATE. THE FUND  
25 SHALL DEVELOP AND USE A DETAILED APPLICATION, APPROVAL, AND  
26 COMPLIANCE PROCESS PUBLISHED AND AVAILABLE ON THE FUND'S WEBSITE.

27 (2) AN ELIGIBLE BUSINESS MAY APPLY TO THE FUND TO ENTER INTO A

1 WRITTEN AGREEMENT WHICH AUTHORIZES THE PAYMENT OF WITHHOLDING TAX  
2 CAPTURE REVENUES UNDER THIS CHAPTER.

3 (3) THE FUND MAY REQUEST INFORMATION, IN ADDITION TO THAT  
4 CONTAINED IN AN APPLICATION, AS MAY BE NEEDED TO PERMIT THE FUND TO  
5 DISCHARGE ITS RESPONSIBILITIES UNDER THIS CHAPTER.

6 (4) AFTER RECEIPT OF AN APPLICATION, THE FUND MAY ENTER INTO  
7 AN AGREEMENT WITH AN ELIGIBLE BUSINESS FOR WITHHOLDING TAX CAPTURE  
8 REVENUES UNDER THIS CHAPTER IF THE FUND DETERMINES THAT ALL OF THE  
9 FOLLOWING ARE MET:

10 (A) THE ELIGIBLE BUSINESS PROPOSES TO CREATE AND MAINTAIN A  
11 MINIMUM OF 500 CERTIFIED NEW JOBS AT A FACILITY IN THIS STATE WITH  
12 AN AVERAGE ANNUAL WAGE THAT IS EQUAL TO OR GREATER THAN THE  
13 PROSPERITY REGION AVERAGE WAGE OR, IF THE BUSINESS PROPOSES TO PAY  
14 AN AVERAGE ANNUAL WAGE THAT IS EQUAL TO 125% OR MORE OF THE  
15 PROSPERITY REGION AVERAGE WAGE, 250 CERTIFIED NEW JOBS.

16 (B) IN ADDITION TO THE JOBS SPECIFIED IN SUBDIVISION (A), THE  
17 ELIGIBLE BUSINESS, IF ALREADY LOCATED WITHIN THIS STATE, AGREES TO  
18 MAINTAIN A NUMBER OF FULL-TIME JOBS EQUAL TO OR GREATER THAN THE  
19 NUMBER OF FULL-TIME JOBS IT MAINTAINED IN THIS STATE PRIOR TO THE  
20 EXPANSION, AS DETERMINED BY THE FUND.

21 (C) THE PLANS FOR THE EXPANSION OR LOCATION ARE ECONOMICALLY  
22 SOUND.

23 (D) THE EXPANSION OR LOCATION OF THE ELIGIBLE BUSINESS WILL  
24 BENEFIT THE PEOPLE OF THIS STATE BY INCREASING OPPORTUNITIES FOR  
25 EMPLOYMENT AND BY STRENGTHENING THE ECONOMY OF THIS STATE.

26 (E) THE WITHHOLDING TAX CAPTURE REVENUES OFFERED UNDER THIS  
27 CHAPTER AND PAID FROM THE GOOD JOBS FOR MICHIGAN FUND IS AN

1 INCENTIVE TO EXPAND OR LOCATE THE ELIGIBLE BUSINESS IN THIS STATE  
2 AND ADDRESS THE COMPETITIVE DISADVANTAGES WITH SITES OUTSIDE THIS  
3 STATE.

4 (F) AN INDUSTRY-RECOGNIZED REGIONAL ECONOMIC MODEL COST-  
5 BENEFIT ANALYSIS REVEALS THAT THE PAYMENT OF WITHHOLDING TAX  
6 CAPTURE REVENUES UNDER THIS CHAPTER TO AN ELIGIBLE BUSINESS WILL  
7 RESULT IN AN OVERALL POSITIVE FISCAL IMPACT TO THE STATE.

8 (G) THE ELIGIBLE BUSINESS WILL CREATE THE REQUISITE NUMBER OF  
9 CERTIFIED NEW JOBS WITHIN NOT MORE THAN 5 YEARS AFTER ENTERING INTO  
10 THE WRITTEN AGREEMENT AS DETERMINED BY THE FUND.

11 (H) THE ELIGIBLE BUSINESS WILL MAINTAIN THE NUMBER OF  
12 CERTIFIED NEW JOBS THROUGHOUT THE DURATION OF THE PERIOD OF TIME  
13 THAT THE AUTHORIZED BUSINESS RECEIVES WITHHOLDING TAX CAPTURE  
14 REVENUES PAID FROM THE GOOD JOBS FOR MICHIGAN FUND. HOWEVER, IF THE  
15 AUTHORIZED BUSINESS FAILS TO MAINTAIN THE REQUISITE NUMBER OF  
16 CERTIFIED NEW JOBS AS PROVIDED IN THE WRITTEN AGREEMENT, THE  
17 AUTHORIZED BUSINESS WILL FORFEIT THE WITHHOLDING TAX CAPTURE  
18 REVENUES FOR THAT CALENDAR YEAR.

19 (I) THE ELIGIBLE BUSINESS HAS RECEIVED A LETTER OF SUPPORT FOR  
20 THE EXPANSION OR NEW LOCATION FROM THE CHIEF EXECUTIVE OFFICIAL, OR  
21 HIS OR HER DESIGNEE, OF THE MUNICIPALITY WITH JURISDICTION OVER THE  
22 LOCATION OF THAT FACILITY. A REGIONAL DEVELOPMENT AGENCY PROMOTING  
23 ECONOMIC DEVELOPMENT IN THE REGION WHERE THE FACILITY IS LOCATED  
24 MAY BE APPOINTED AS THE DESIGNEE.

25 (5) IF THE FUND DETERMINES THAT THE ELIGIBLE BUSINESS  
26 SATISFIES ALL OF THE REQUIREMENTS OF SUBSECTION (4), SUBJECT TO  
27 SUBSECTION (6), THE FUND SHALL DETERMINE THE AMOUNT AND DURATION OF

1 THE WITHHOLDING TAX CAPTURE REVENUES TO BE AUTHORIZED UNDER THIS  
2 CHAPTER AND SHALL ENTER INTO A WRITTEN AGREEMENT AS PROVIDED IN  
3 THIS SECTION. THE DURATION OF THE WITHHOLDING TAX CAPTURE REVENUES  
4 MUST NOT EXCEED 5 OR 10 YEARS, WHICHEVER IS APPLICABLE BASED ON THE  
5 AVERAGE ANNUAL WAGE OF THE CERTIFIED NEW JOBS, FROM THE DATE THE  
6 AUTHORIZED BUSINESS CREATES THE CERTIFIED NEW JOBS AS PROVIDED IN  
7 THE WRITTEN AGREEMENT. SUBJECT TO SUBSECTION (6), IN DETERMINING  
8 THE MAXIMUM AMOUNT AND MAXIMUM DURATION OF THE WITHHOLDING TAX  
9 CAPTURE REVENUES AUTHORIZED, THE FUND SHALL CONSIDER THE FOLLOWING  
10 FACTORS, IF APPLICABLE:

11 (A) THE NUMBER OF CERTIFIED NEW JOBS TO BE CREATED.

12 (B) THE DEGREE TO WHICH THE AVERAGE ANNUAL WAGE OF THE  
13 CERTIFIED NEW JOBS EXCEEDS THE PROSPERITY REGION AVERAGE WAGE.

14 (C) WHETHER THERE IS A DISADVANTAGE TO THE ELIGIBLE BUSINESS  
15 IF IT WERE TO EXPAND OR LOCATE IN THIS STATE VERSUS A SITE OUTSIDE  
16 THIS STATE.

17 (D) THE POTENTIAL IMPACT OF THE EXPANSION OR LOCATION ON THE  
18 ECONOMY OF THIS STATE.

19 (E) THE ESTIMATED COST OF THE REIMBURSEMENT OF WITHHOLDING TAX  
20 CAPTURE REVENUES UNDER THIS CHAPTER, THE STAFF, FINANCIAL, OR  
21 ECONOMIC ASSISTANCE PROVIDED BY THE MUNICIPALITY, OR LOCAL ECONOMIC  
22 DEVELOPMENT CORPORATION OR SIMILAR ENTITY, AND THE VALUE OF  
23 ASSISTANCE OTHERWISE PROVIDED BY THIS STATE.

24 (F) WHETHER THE EXPANSION OR LOCATION WILL OCCUR IN THIS STATE  
25 WITHOUT THE PAYMENT OF WITHHOLDING TAX CAPTURE REVENUES OFFERED  
26 UNDER THIS CHAPTER.

27 (6) THE FUND SHALL DETERMINE THE DURATION AND AMOUNT OF THE

1 WITHHOLDING TAX CAPTURE REVENUES. IN DETERMINING THE DURATION OF  
2 THE WITHHOLDING TAX CAPTURE REVENUES, THE FUND SHALL PROVIDE A  
3 DURATION OF UP TO 5 YEARS FOR ELIGIBLE BUSINESSES THAT PAY AN  
4 AVERAGE ANNUAL WAGE THAT IS EQUAL TO OR MORE THAN THE PROSPERITY  
5 REGION AVERAGE WAGE AND UP TO A DURATION OF 10 YEARS FOR ELIGIBLE  
6 BUSINESSES THAT PAY AN AVERAGE ANNUAL WAGE THAT IS EQUAL TO 125% OR  
7 MORE OF THE PROSPERITY REGION AVERAGE WAGE. IN DETERMINING THE  
8 AMOUNT OF THE WITHHOLDING TAX CAPTURE REVENUE PAYMENTS, THE FUND  
9 MAY APPROVE A PAYMENT OF NOT MORE THAN 50% OF THE WITHHOLDING TAX  
10 CAPTURE REVENUES FOR AN ELIGIBLE BUSINESS THAT PAYS AN AVERAGE  
11 ANNUAL WAGE THAT IS EQUAL TO OR MORE THAN THE PROSPERITY REGION  
12 AVERAGE WAGE AND A PAYMENT OF UP TO 100% OF THE WITHHOLDING TAX  
13 CAPTURE REVENUES FOR AN ELIGIBLE BUSINESS THAT PAYS AN AVERAGE  
14 ANNUAL WAGE THAT IS EQUAL TO 125% OR MORE OF THE PROSPERITY REGION  
15 AVERAGE WAGE. THE AMOUNT OF WITHHOLDING TAX CAPTURE REVENUES  
16 CERTIFIED TO BE PAID TO AN AUTHORIZED BUSINESS SHALL BE REDUCED BY  
17 5%, WHICH SHALL BE RETAINED BY THE FUND FOR ADDITIONAL  
18 ADMINISTRATIVE EXPENSES UNDER THIS CHAPTER AS PROVIDED UNDER  
19 SECTION 90I.

20 (7) A WRITTEN AGREEMENT BETWEEN AN ELIGIBLE BUSINESS AND THE  
21 FUND MUST INCLUDE, BUT NEED NOT BE LIMITED TO, ALL OF THE  
22 FOLLOWING:

23 (A) A DESCRIPTION OF THE BUSINESS EXPANSION OR LOCATION THAT  
24 IS THE SUBJECT OF THE WRITTEN AGREEMENT.

25 (B) CONDITIONS UPON WHICH THE AUTHORIZED BUSINESS DESIGNATION  
26 IS MADE.

27 (C) A STATEMENT FROM THE ELIGIBLE BUSINESS THAT THE ELIGIBLE

1 BUSINESS WOULD NOT HAVE ADDED CERTIFIED NEW JOBS WITHOUT THE  
2 WITHHOLDING TAX CAPTURE REVENUE PAYMENTS AUTHORIZED UNDER THIS  
3 CHAPTER.

4 (D) AN ESTIMATE OF THE AMOUNT OF WITHHOLDING TAX CAPTURE  
5 REVENUES EXPECTED TO BE GENERATED FOR EACH CALENDAR YEAR OF THE  
6 DURATION OF THE WRITTEN AGREEMENT.

7 (E) A STATEMENT BY THE ELIGIBLE BUSINESS THAT A VIOLATION OF  
8 THE WRITTEN AGREEMENT MAY RESULT IN THE REVOCATION OF THE  
9 DESIGNATION AS AN AUTHORIZED BUSINESS, THE LOSS OR REDUCTION OF  
10 FUTURE WITHHOLDING TAX CAPTURE REVENUE PAYMENTS UNDER THIS CHAPTER,  
11 OR A REPAYMENT OF WITHHOLDING TAX CAPTURE REVENUES RECEIVED  
12 PURSUANT TO THIS CHAPTER.

13 (F) A STATEMENT BY THE ELIGIBLE BUSINESS THAT A  
14 MISREPRESENTATION IN THE APPLICATION MAY RESULT IN THE REVOCATION  
15 OF THE DESIGNATION AS AN AUTHORIZED BUSINESS AND THE REPAYMENT OF  
16 WITHHOLDING TAX CAPTURE REVENUES RECEIVED UNDER THIS CHAPTER PLUS A  
17 PENALTY EQUAL TO 10% OF THE WITHHOLDING TAX CAPTURE REVENUE  
18 PAYMENTS RECEIVED PURSUANT TO THIS CHAPTER.

19 (G) A METHOD FOR MEASURING AND VERIFYING FULL-TIME JOBS BEFORE  
20 AND AFTER AN EXPANSION OR LOCATION OF AN AUTHORIZED BUSINESS IN  
21 THIS STATE.

22 (H) A PROVISION THAT THE AUTHORIZED BUSINESS THAT IS CERTIFIED  
23 UNDER SECTION 90I(2) FOR A PAYMENT FROM THE GOOD JOBS FOR MICHIGAN  
24 FUND SHALL FILE THE REQUIRED RETURNS AND REPORTS UNDER THIS CHAPTER  
25 AND PART 3 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.701  
26 TO 206.713, WITH THE DEPARTMENT OF TREASURY, AND SHALL PROVIDE ANY  
27 OTHER INFORMATION REASONABLY REQUESTED BY THE FUND OR THE

1 DEPARTMENT OF TREASURY.

2 (I) A MAXIMUM AMOUNT OF WITHHOLDING TAX CAPTURE REVENUES THAT  
3 THE AUTHORIZED BUSINESS MAY CLAIM BEFORE REDUCTION OF THE 5%  
4 PAYMENT DESCRIBED IN SECTION 90I FOR ADMINISTRATIVE EXPENSES.

5 (8) UPON EXECUTION OF A WRITTEN AGREEMENT AS PROVIDED IN THIS  
6 CHAPTER, AN ELIGIBLE BUSINESS IS AN AUTHORIZED BUSINESS. THE FUND  
7 SHALL PROVIDE A COPY OF EACH WRITTEN AGREEMENT TO THE DEPARTMENT OF  
8 TREASURY. UPON EXECUTION OF THE WRITTEN AGREEMENT, THE TRANSFER AND  
9 PAYMENT OF WITHHOLDING TAX CAPTURE REVENUES AS SPECIFIED IN THIS  
10 CHAPTER AND IN THE WRITTEN AGREEMENT IS BINDING ON THIS STATE. THE  
11 STATE TREASURER SHALL CALCULATE, BASED ON THE WRITTEN AGREEMENTS  
12 RECEIVED PURSUANT TO THIS SUBSECTION, THE AMOUNT OF WITHHOLDING TAX  
13 CAPTURE REVENUES COLLECTED AS A RESULT OF THE CERTIFIED NEW JOBS  
14 CREATED PURSUANT TO THOSE WRITTEN AGREEMENTS FOR EACH CALENDAR YEAR  
15 AND THE PERCENTAGE OF THAT AMOUNT THAT NEEDS TO BE TRANSFERRED FROM  
16 THE GENERAL FUND AND DEPOSITED, IN ACCORDANCE WITH SECTION 51F OF  
17 THE INCOME TAX ACT OF 1967, 1967 PA 261, MCL 206.51F, INTO THE GOOD  
18 JOBS FOR MICHIGAN FUND, WHERE THE FUND SHALL ISSUE PAYMENTS TO THE  
19 AUTHORIZED BUSINESS IN THE MANNER PROVIDED IN SECTION 90I.

20 (9) THE FUND SHALL NOT EXECUTE MORE THAN 15 NEW WRITTEN  
21 AGREEMENTS EACH CALENDAR YEAR FOR AUTHORIZED BUSINESSES. THE FUND  
22 SHALL NOT COMMIT, AND THE DEPARTMENT OF TREASURY SHALL NOT  
23 DISBURSE, MORE THAN \$250,000,000.00 IN TOTAL WITHHOLDING TAX  
24 CAPTURE REVENUES UNDER THIS CHAPTER, WHICH INCLUDES THE 5% PAYMENT  
25 FOR ADMINISTRATIVE EXPENSES AS PROVIDED IN SECTION 90I. IF THE FUND  
26 APPROVES FEWER THAN 15 WRITTEN AGREEMENTS IN A CALENDAR YEAR OR IF  
27 AN AUTHORIZED BUSINESS FORFEITS ANY PORTION OF THE WITHHOLDING TAX

1 CAPTURE REVENUES UNDER SECTION 90I(4) AND THE AMOUNT COMMITTED OR  
2 DISBURSED UNDER THIS CHAPTER IS LESS THAN \$250,000,000.00, THEN THE  
3 UNUSED APPROVAL AUTHORITY SHALL CARRY FORWARD INTO FUTURE CALENDAR  
4 YEARS. FOR PURPOSES OF THIS SUBSECTION, "TOTAL WITHHOLDING TAX  
5 CAPTURE REVENUES" MEANS THE AGGREGATE AMOUNT OF WITHHOLDING TAX  
6 CAPTURE REVENUES THAT MAY BE DISTRIBUTED TO AUTHORIZED BUSINESSES  
7 UNDER ALL WRITTEN AGREEMENTS.

8 SEC. 90I. (1) SUBJECT TO THE LIMITATIONS UNDER SECTION 90H(9),  
9 AN AUTHORIZED BUSINESS IS ELIGIBLE TO RECEIVE WITHHOLDING TAX  
10 CAPTURE REVENUE PAYMENTS AS PROVIDED IN THIS CHAPTER.

11 (2) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION (3), THE  
12 FUND SHALL ISSUE A WITHHOLDINGS CERTIFICATE EACH CALENDAR YEAR TO  
13 AN AUTHORIZED BUSINESS THAT STATES THE FOLLOWING:

14 (A) THAT THE ELIGIBLE BUSINESS IS AN AUTHORIZED BUSINESS.

15 (B) THE AMOUNT OF WITHHOLDING TAX CAPTURE REVENUES TO BE PAID  
16 FROM THE GOOD JOBS FOR MICHIGAN FUND FOR THE DESIGNATED CALENDAR  
17 YEAR.

18 (C) THE AUTHORIZED BUSINESS'S FEDERAL EMPLOYER IDENTIFICATION  
19 NUMBER OR THE MICHIGAN TREASURY NUMBER ASSIGNED TO THE AUTHORIZED  
20 BUSINESS.

21 (3) THE FUND SHALL PROVIDE THE DEPARTMENT OF TREASURY WITH A  
22 COPY OF EACH WITHHOLDINGS CERTIFICATE ISSUED UNDER THIS SECTION.  
23 UPON RECEIPT OF A WITHHOLDINGS CERTIFICATE, AN AUTHORIZED BUSINESS  
24 MAY REQUEST A PAYMENT FROM THE GOOD JOBS FOR MICHIGAN FUND BY  
25 FILING A COPY OF THE WITHHOLDINGS CERTIFICATE WITH THE FUND. THE  
26 FUND SHALL ISSUE THE WITHHOLDING TAX CAPTURE REVENUE PAYMENT FROM  
27 THE GOOD JOBS FOR MICHIGAN FUND WITHIN 90 DAYS OF RECEIPT OF THE

1 REQUEST FOR PAYMENT FROM THE AUTHORIZED BUSINESS.

2 (4) IF THE AUTHORIZED BUSINESS SUBSEQUENTLY FAILS TO SATISFY  
3 AND MAINTAIN THE MINIMUM NUMBER OF CERTIFIED NEW JOBS AS REQUIRED  
4 UNDER THIS CHAPTER OR ANY OTHER CONDITIONS INCLUDED IN THE WRITTEN  
5 AGREEMENT, THE AUTHORIZED BUSINESS FORFEITS ITS WITHHOLDING TAX  
6 CAPTURE REVENUE PAYMENT FOR THE CALENDAR YEAR THAT THE AUTHORIZED  
7 BUSINESS FAILS TO COMPLY WITH THIS CHAPTER OR THE WRITTEN  
8 AGREEMENT. THE FORFEITURE OF A WITHHOLDING TAX CAPTURE REVENUE  
9 PAYMENT UNDER THIS SUBSECTION DOES NOT EXTEND THE DURATION OF THE  
10 ORIGINAL WRITTEN AGREEMENT. ACCORDINGLY, IF THE DURATION OF THE  
11 WRITTEN AGREEMENT HAS NOT EXPIRED, AN AUTHORIZED BUSINESS THAT  
12 SATISFIES ALL OF THE TERMS OF THE WRITTEN AGREEMENT AFTER A  
13 FORFEITURE UNDER THIS SUBSECTION IS ENTITLED TO CERTIFICATION FOR  
14 WITHHOLDING TAX CAPTURE REVENUE PAYMENTS FOR THOSE SUBSEQUENT  
15 CALENDAR YEARS.

16 (5) IN THE EVENT OF A PROPOSED REORGANIZATION, MERGER, OR  
17 OTHER CHANGE OF OWNERSHIP OF THE AUTHORIZED BUSINESS FOR WHICH  
18 REIMBURSEMENT WILL CONTINUE PURSUANT TO A WRITTEN AGREEMENT, THE  
19 APPROVAL OF THE FUND IS REQUIRED PRIOR TO THE ASSIGNMENT OR  
20 TRANSFER OF THE WRITTEN AGREEMENT.

21 (6) THE FUND SHALL RETAIN AN AMOUNT EQUAL TO 5% OF THE  
22 WITHHOLDING TAX CAPTURE REVENUE PAYMENTS AUTHORIZED FOR THAT YEAR  
23 FOR THE FUND. THE BOARD SHALL USE THE AMOUNT DESCRIBED IN THIS  
24 SUBSECTION TO PAY FOR THE ADDITIONAL ADMINISTRATION EXPENSES UNDER  
25 THIS CHAPTER.

26 (7) AS A CONDITION OF BEING AN AUTHORIZED BUSINESS, AN  
27 AUTHORIZED BUSINESS AUTHORIZES THE FUND TO IDENTIFY THE AUTHORIZED

1 BUSINESS AND DISCLOSE THE AMOUNT AND DURATION OF THE WITHHOLDING  
2 TAX CAPTURE REVENUE PAYMENTS. THE FUND SHALL PUBLISH THE  
3 INFORMATION DESCRIBED IN THIS SUBSECTION ON THE FUND'S WEBSITE AND  
4 INCLUDE THIS INFORMATION IN THE REPORT REQUIRED UNDER SECTION 9.

5 SEC. 90J. (1) THE GOOD JOBS FOR MICHIGAN FUND IS CREATED  
6 WITHIN THE STATE TREASURY. THE STATE TREASURER MAY RECEIVE MONEY OR  
7 OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE  
8 TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE  
9 TREASURER SHALL CREDIT ALL AMOUNTS DEPOSITED PURSUANT TO SECTION  
10 51F OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.51F, TO THE  
11 FUND AND SHALL CREDIT TO THE FUND ANY INTEREST AND EARNINGS FROM  
12 FUND INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR  
13 SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

14 (2) THE GOOD JOBS FOR MICHIGAN FUND MAY BE USED ONLY FOR 1 OR  
15 MORE OF THE FOLLOWING PURPOSES:

16 (A) TO MAKE WITHHOLDING TAX CAPTURE REVENUE PAYMENTS IN  
17 ACCORDANCE WITH A WRITTEN AGREEMENT TO AN AUTHORIZED BUSINESS  
18 WITHIN 90 DAYS AFTER RECEIPT OF A REQUEST FOR PAYMENT AND A COPY OF  
19 THE WITHHOLDING CERTIFICATE ISSUED UNDER SECTION 90I.

20 (B) TO DISTRIBUTE AN AMOUNT EQUAL TO 5% OF THE WITHHOLDING TAX  
21 CAPTURE REVENUE PAYMENTS CERTIFIED UNDER SECTION 90I TO THE  
22 MICHIGAN STRATEGIC FUND TO PAY FOR ADMINISTRATION EXPENSES.

23 Enacting section 1. This amendatory act takes effect 180 days  
24 after the date it is enacted into law.