



# HOUSE BILL No. 5702

March 21, 1996, Introduced by Rep. Brackenridge and referred to the Committee on Commerce.

A bill to amend section 8 of Act No. 24 of the Public Acts of 1995, entitled "Michigan economic growth authority act," being section 207.808 of the Michigan Compiled Laws.

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

1 Section 1. Section 8 of Act No. 24 of the Public Acts of  
2 1995, being section 207.808 of the Michigan Compiled Laws, is  
3 amended to read as follows:

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

8 (a) The eligible business creates a minimum of 75 qualified  
9 new jobs at the facility if expanding in this state; 1 150  
10 qualified new jobs at the facility if locating in this state; 1

1 or 25 qualified new jobs at the facility if the facility is  
2 located in a neighborhood enterprise zone as determined under the  
3 neighborhood enterprise zone act, Act No. 147 of the Public Acts  
4 of 1992, being sections 207.771 to 207.787 of the Michigan  
5 Compiled Laws, IS LOCATED IN AN ENTERPRISE ZONE UNDER THE ENTER-  
6 PRISE ZONE ACT, ACT NO. 224 OF THE PUBLIC ACTS OF 1985, BEING  
7 SECTIONS 125.2101 TO 125.2123 OF THE MICHIGAN COMPILED LAWS, or  
8 is located in a federally designated empowerment zone, rural  
9 enterprise community, or enterprise community, within 12 months  
10 of the expansion or location as determined by the authority.

11 (b) The eligible business agrees to maintain a minimum of 75  
12 qualified new jobs at the facility if expanding in this state;  
13 ~~7~~ a minimum of 150 qualified new jobs at the facility if locat-  
14 ing in this state; ~~7~~ or 25 qualified new jobs at the facility  
15 if the facility is located in a neighborhood enterprise zone as  
16 determined under ~~the neighborhood enterprise zone act,~~ Act  
17 No. 147 of the Public Acts of 1992, ~~being sections 207.771 to~~  
18 ~~207.787 of the Michigan Compiled Laws,~~ IS LOCATED IN AN ENTER-  
19 PRISE ZONE UNDER ACT NO. 224 OF THE PUBLIC ACTS OF 1985, or is  
20 located in a federally designated empowerment zone, rural enter-  
21 prise community, or enterprise community, for each year that a  
22 credit is authorized under this act.

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

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

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

6 (f) The local governmental unit in which the eligible busi-  
7 ness will expand or be located, or a local economic development  
8 corporation or similar entity, will make a staff, financial, or  
9 economic commitment to the eligible business for the expansion or  
10 location.

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

14 (h) The eligible business has not begun construction of the  
15 facility.

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

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

22 (k) A cost/benefit analysis reveals that authorizing the  
23 eligible company to receive tax credits under this act will  
24 result in an overall positive fiscal impact to ~~the~~ THIS state.

25 (l) If feasible, as determined by the authority, in locating  
26 the facility, the authorized business reuses or redevelops

1 property that was previously used for an industrial or commercial  
2 purpose.

3 (m) That the expansion or location of the qualified business  
4 will not have the effect of transferring employment from 1 or  
5 more local governmental units to the local governmental unit in  
6 which the facility is to be located unless the legislative body  
7 of each local governmental unit from which employment is to be  
8 transferred consents by resolution to the transfer.

9 (2) If the authority determines that the requirements of  
10 subsection (1) have been met, the authority shall determine the  
11 amount and duration of tax credits to be authorized under section  
12 9, and shall enter into a written agreement as provided in this  
13 section. The duration of the tax credits shall not exceed 20  
14 years. In determining the amount and duration of tax credits  
15 authorized, the authority shall consider the following factors:

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

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

20 (c) The total capital investment the eligible business will  
21 make.

22 (d) The cost differential to the business between expanding  
23 or locating in ~~Michigan~~ THIS STATE and a site outside of  
24 ~~Michigan~~ THIS STATE.

25 (e) The potential impact of the expansion or location on the  
26 economy of ~~Michigan~~ THIS STATE.

1 (f) The cost of the credit under section 9, the staff,  
2 financial, or economic assistance provided by the local  
3 government unit, or local economic development corporation or  
4 similar entity, and the value of assistance otherwise provided by  
5 ~~the~~ THIS state.

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

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

11 (b) Conditions upon which the authorized business designa-  
12 tion is made.

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

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

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

24 (f) A written certification from the eligible business  
25 regarding all of the following:

26 (i) The eligible business will follow a competitive bid  
27 process for the construction, rehabilitation, development, or

1 renovation of the facility, and that this process will be open to  
2 all Michigan residents and firms. The eligible business may not  
3 discriminate against any contractor on the basis of its affilia-  
4 tion or nonaffiliation with any collective bargaining  
5 organization.

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

8 (iii) The eligible business will make a good faith effort to  
9 employ or contract with Michigan residents and firms to con-  
10 struct, rehabilitate, develop, or renovate the facility.

11 (g) If the authority determines that it is necessary to pro-  
12 vide infrastructure assistance for the location or expansion of  
13 an eligible business within an international tradeport develop-  
14 ment zone under the international tradeport development authority  
15 act, Act No. 325 of the Public Acts of 1994, being  
16 sections 125.2521 to 125.2546 of the Michigan Compiled Laws, a  
17 statement that if the authorized business locates or expands  
18 within that international tradeport development zone, that all or  
19 a portion of the tax credit received each year by the authorized  
20 business, as determined by the authority, shall be assigned by  
21 the authorized business to the international tradeport develop-  
22 ment authority for infrastructure improvements within the inter-  
23 national tradeport development zone under Act No. 325 of the  
24 Public Acts of 1994.

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

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