

HOUSE BILL No. 6435

September 24, 2002, Introduced by Reps. Kolb and Lipsey 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 2000 PA 428.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Authorized business" means an eligible business with
3 which the authority has entered into a written agreement for a
4 tax credit under section 9.

5 (b) "Authority" means the Michigan economic growth authority
6 created under section 4.

7 (c) "Eligible business" means a business that proposes to
8 maintain retained jobs after December 31, 1999 or to create qual-
9 ified new jobs in this state after April 18, 1995 in
10 manufacturing, mining, research and development, wholesale and
11 trade, or office operations or a business that is a qualified

1 high-technology business. An eligible business does not include
2 retail establishments, professional sports stadiums, or that por-
3 tion of an eligible business used exclusively for retail sales.
4 Professional sports stadium does not include a sports stadium in
5 existence on June 6, 2000 that is not used by a professional
6 sports team on the date that an application related to that pro-
7 fessional sports stadium is filed under section 8. AN ELIGIBLE
8 BUSINESS DOES NOT INCLUDE A BUSINESS THAT HAS AS ITS PRIMARY PUR-
9 POSE THE PACKAGING, PRODUCTION, OR BOTTLING OF WATER INTENDED FOR
10 HUMAN CONSUMPTION IN SEALED CONTAINERS LESS THAN 1 GALLON IN SIZE
11 AND THAT HAS NO ADDITIONAL ADDED INGREDIENTS.

12 (d) "Facility" means a site within this state in which an
13 authorized business maintains retained jobs or creates qualified
14 new jobs. A facility does not include a site that was a vaccine
15 laboratory owned by this state on April 1, 1995.

16 (e) "Full-time job" means a job performed by an individual
17 who is employed by an authorized business for consideration for
18 35 hours or more each week and for which the authorized business
19 withholds income and social security taxes.

20 (f) "Local governmental unit" means a county, city, village,
21 or township in this state.

22 (g) "High-technology activity" means 1 or more of the
23 following:

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

26 (A) Computer hardware and software.

1 (B) Data communications.

2 (C) Information technologies.

3 (ii) Advanced materials, which are materials with engineered
4 properties created through the development of specialized process
5 and synthesis technology.

6 (iii) Biotechnology, which is any technology that uses
7 living organisms, cells, macromolecules, microorganisms, or sub-
8 stances from living organisms to make or modify a product,
9 improve plants or animals, or develop microorganisms for useful
10 purposes. Biotechnology does not include human cloning as
11 defined in section 16274 of the public health code, 1978 PA 368,
12 MCL 333.16274, or stem cell research with embryonic tissue.

13 (iv) Electronic device technology, which is any technology
14 that involves microelectronics, semiconductors, electronic equip-
15 ment, and instrumentation, radio frequency, microwave, and milli-
16 meter electronics, and optical and optic-electrical devices, or
17 data and digital communications and imaging devices.

18 (v) Engineering or laboratory testing related to the devel-
19 opment of a product.

20 (vi) Technology that assists in the assessment or prevention
21 of threats or damage to human health or the environment, includ-
22 ing, but not limited to, environmental cleanup technology, pollu-
23 tion prevention technology, or development of alternative energy
24 sources.

25 (vii) Medical device technology, which is any technology
26 that involves medical equipment or products other than a

1 pharmaceutical product that has therapeutic or diagnostic value
2 and is regulated.

3 (viii) Product research and development.

4 (ix) Advanced vehicles technology that is any technology
5 that involves electric vehicles, hybrid vehicles, or alternative
6 fuel vehicles, or components used in the construction of electric
7 vehicles, hybrid vehicles, or alternative fuel vehicles. For
8 purposes of this act:

9 (A) "Electric vehicle" means a road vehicle that draws pro-
10 pulsion energy only from an on-board source of electrical
11 energy.

12 (B) "Hybrid vehicle" means a road vehicle that can draw pro-
13 pulsion energy from both a consumable fuel and a rechargeable
14 energy storage system.

15 (h) "New capital investment" means 1 or more of the
16 following:

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

18 (A) "New construction" means property not in existence on
19 the date the authorized business enters into a written agreement
20 with the authority and not replacement construction. New con-
21 struction includes the physical addition of equipment or furnish-
22 ings, subject to section 27(2)(a) to (o) of the general property
23 tax act, 1893 PA 206, MCL 211.27.

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

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

7 (i) "Qualified high-technology business" means a business
8 that is both of the following:

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

14 (ii) A business whose primary business activity is
15 high-technology activity.

16 (j) "Qualified new job" means either of the following:

17 (i) A full-time job created by an authorized business at a
18 facility that is in excess of the number of full-time jobs the
19 authorized business maintained in this state prior to the expan-
20 sion or location, as determined by the authority.

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

26 (k) "Retained jobs" means the number of full-time jobs at a
27 facility of an authorized business maintained in this state on a

1 specific date as that date and number of jobs is determined by
2 the authority.

3 (1) "Written agreement" means a written agreement made pur-
4 suant to section 8.