

SENATE BILL No. 1381

August 9, 2006, Introduced by Senator WHITMER and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to require certain business entities to comply with certain requirements to receive economic development benefits; to prescribe the powers and duties of certain state departments and agencies; and to prescribe certain penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan corporate responsibility act".

3 Sec. 2. As used in this act:

4 (a) "Economic development benefits" means the amount of the
5 abatements, tax credits, exemptions, loans, or grants related to
6 economic development activities provided under the following:

7 (i) Sections 38g and 39c of the single business tax act, 1975 PA
8 228, MCL 208.38g and 208.39c.

1 (ii) 1974 PA 198, MCL 207.551 to 207.572.

2 (iii) The Michigan economic growth authority act, 1995 PA 24,
3 MCL 207.801 to 207.810.

4 (iv) Section 8d of the Michigan renaissance zone act, 1996 PA
5 376, MCL 125.2688d.

6 (v) The obsolete property rehabilitation act, 2000 PA 146, MCL
7 125.2781 to 125.2797.

8 (vi) The brownfield redevelopment financing act, 1996 PA 381,
9 MCL 125.2651 to 125.2672.

10 (vii) The Michigan strategic fund act, 1984 PA 270, MCL
11 125.2001 to 125.2094.

12 (viii) The transportation economic development fund, 1987 PA
13 231, MCL 247.901 to 247.914.

14 (ix) The industrial development revenue bond act, 1963 PA 62,
15 MCL 125.1251 to 125.1267.

16 Sec. 3. Before receiving an economic development benefit, a
17 business entity shall affirm in writing all of the following:

18 (a) That the business entity has not been convicted during the
19 immediately preceding 15 years of a criminal offense incident to
20 the application for or performance of a state contract or
21 subcontract. As used in this subdivision, business entity includes
22 affiliates, subsidiaries, officers, directors, managerial
23 employees, and any person who, directly or indirectly, holds a
24 pecuniary interest in that business entity of 20% or more.

25 (b) That the business entity has not been convicted during the
26 immediately preceding 15 years of a criminal offense, or held
27 liable in a civil proceeding, that negatively reflects on the

1 business entity's business integrity, based on a finding of
2 embezzlement, theft, forgery, bribery, falsification or destruction
3 of records, receiving stolen property, or violation of state or
4 federal antitrust statutes. As used in this subdivision, business
5 entity includes affiliates, subsidiaries, officers, directors,
6 managerial employees, and any person who, directly or indirectly,
7 holds a pecuniary interest in that business entity of 20% or more.

8 (c) That the business entity will not use state funds,
9 economic development benefits, or the proceeds of state funds or
10 economic development benefits to induce a business enterprise to
11 leave this state.

12 (d) That the business entity will not use state funds,
13 economic development benefits, or the proceeds of state funds or
14 economic development benefits to contribute to the violation of
15 internationally recognized workers rights, as defined in section
16 507(4) of the trade act of 1974, 19 USC 2467(4), of workers in a
17 country other than the United States, including any designated zone
18 or area in that country.

19 (e) That neither the business entity nor an affiliate of the
20 business entity is incorporated in a tax haven country after
21 September 11, 2001 while maintaining the United States as the
22 principal market for the public trading of the corporation's stock.
23 As used in this section, "tax haven country" includes a country
24 with tax laws that facilitate avoidance by a corporation or an
25 affiliate of the corporation of United States tax obligations,
26 including, but not limited to, Barbados, Bermuda, British Virgin
27 Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus,

1 Gibraltar, Isle of Man, the principality of Liechtenstein, the
2 principality of Monaco, and the Republic of the Seychelles.

3 (f) That the business entity is in compliance with
4 requirements under federal law mandating the funding of pension or
5 retirement plan obligations to employees of the business entity.