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Senate Bill 296 (Substitute S-2 as reported)
Sponsor: Senator Hansen Clarke
Committee: Finance

CONTENT

The bill would amend the Michigan Business Tax (MBT) Act to do the following:

- Require the Michigan Historical Center, beginning July 1, 2009, to give preference to an applicant for a historic preservation tax credit that agreed to hire, or contract with businesses that agreed to hire, only Michigan residents or individuals who planned to become Michigan residents, except under certain circumstances.
- Prohibit a business from claiming a historic preservation tax credit unless the business agreed not to hire or contract for individuals who were not authorized under Federal law to work in the United States.

The hiring preference requirement would apply unless the Center determined that the rehabilitation could not be completed by using only Michigan residents, or those who planned to become Michigan residents, for one or more of the following:

- To the extent necessary to comply with Federal law or regulation concerning the use of Federal funds.
- To the extent that key management personnel or individuals with special skills, who were not Michigan residents, were needed.
- For historic resources located in a county that borders on another state, if the Center determined that the use of nonresidents for the rehabilitation of the historic resource would not have a significant adverse effect on the employment of Michigan residents.

The bill is tie-barred to Senate Bill 502.

MCL 208.1435

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would increase the responsibilities of the Michigan Historical Center within the Department of History, Arts, and Libraries by requiring additional eligibility determinations and reports regarding the State historic rehabilitation tax credit. Department staff have indicated that the bill would require an increase of 1.0 full-time equivalent (FTE) position.

It is estimated that the additional staff and materials would increase the cost of the program by approximately \$90,000 annually. The cost of administering this tax credit is supported by credit application fees and General Fund appropriations.

Date Completed: 5-6-09

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Analysis available @ <http://www.michiganlegislature.org>

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