

SUBSTITUTE FOR
HOUSE BILL NO. 4553

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 former 1975 PA 228.

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

9 (iii) The Michigan economic growth authority act, 1995 PA 24,

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MCL 207.801 to 207.810.

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

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

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

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

(viii) The transportation economic development fund, 1987 PA 231, MCL 247.901 to 247.913.

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

(x) Sections 435 and 437 of the Michigan business tax act, 2007 PA 36, MCL 208.1435 and 208.1437.

[(b) "Managerial employee" means managerial employees located at the facility eligible for the economic development benefit.]

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

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

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

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1 business entity's business integrity, based on a finding of
2 embezzlement, theft, forgery, bribery, falsification or destruction
3 of records, [fraud,] 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.

6 Sec. 4. Before granting or approving an economic development
7 benefit, the department, state agency, or governing body granting
8 or approving the economic development benefit shall request the
9 department of state police to conduct a criminal records check
10 through the federal bureau of investigation on the business entity
11 applying for the economic development benefit. The department,
12 state agency, or governing body shall not grant or approve the
13 economic development benefit until the department of state police
14 certifies that the person who submitted fingerprints does not have
15 a criminal record. However, if the person has a criminal record and
16 the department, state agency, or governing body that grants or
17 approves the economic development benefit determines that the
18 criminal record does not negatively affect the business entity's
19 business integrity, then the department, state agency, or governing
20 body may grant the economic development benefit. Officers,
21 directors, managerial employees, and any person who, directly or
22 indirectly, holds a pecuniary interest in that business entity of
23 20% or more shall submit fingerprints to the department of state
24 police for that purpose. The department of state police may charge
25 a fee for conducting the criminal records check. The department,
26 state agency, or governing body granting or approving the economic
27 development benefit may charge the applicant the fee for conducting

1 the criminal records check.