

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 293

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending section 15 (MCL 125.2695) and by adding sections 8g and
8h.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 8G. BEGINNING JULY 1, 2009, WHEN DESIGNATING A
2 RENAISSANCE ZONE UNDER SECTION 8A(2), 8C, 8D, 8E, OR 8F, IF ALL
3 OTHER CONSIDERATIONS ARE EQUAL, THE BOARD OR THE MICHIGAN STRATEGIC
4 FUND, AS APPLICABLE, SHALL GIVE PREFERENCE TO AN APPLICANT FOR
5 RENAISSANCE ZONE STATUS IF THE APPLICANT AGREES, IN WRITING, TO DO
6 ALL OF THE FOLLOWING:

7 (A) HIRE ONLY RESIDENTS OF THIS STATE TO CONSTRUCT, OPERATE,
8 RENOVATE, REHABILITATE, OR IMPROVE A FACILITY IN THE RENAISSANCE
9 ZONE, UNLESS THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS

1 APPLICABLE, DETERMINES THAT THE FACILITY CANNOT BE CONSTRUCTED,
2 OPERATED, RENOVATED, REHABILITATED, OR IMPROVED BY USING ONLY
3 RESIDENTS OF THIS STATE FOR 1 OR MORE OF THE FOLLOWING:

4 (i) TO THE EXTENT NECESSARY TO COMPLY WITH FEDERAL LAW OR
5 REGULATION CONCERNING THE USE OF FEDERAL FUNDS.

6 (ii) TO THE EXTENT THAT KEY MANAGEMENT PERSONNEL OR INDIVIDUALS
7 WITH SPECIAL SKILLS, WHO ARE NOT RESIDENTS OF THIS STATE, ARE
8 NEEDED.

9 (iii) TO THE EXTENT THAT IT WILL NOT HAVE A SIGNIFICANT ADVERSE
10 EFFECT ON THE RESIDENTS OF THIS STATE, A PROJECT LOCATED IN A
11 COUNTY THAT BORDERS ON ANOTHER STATE MAY USE RESIDENTS OF THAT
12 STATE.

13 (B) CONTRACT WITH BUSINESSES THAT AGREE TO HIRE ONLY RESIDENTS
14 OF THIS STATE TO CONSTRUCT, OPERATE, RENOVATE, REHABILITATE, OR
15 IMPROVE A FACILITY IN THE RENAISSANCE ZONE, UNLESS THE BOARD OR THE
16 MICHIGAN STRATEGIC FUND, AS APPLICABLE, DETERMINES THAT THE
17 FACILITY CANNOT BE CONSTRUCTED, OPERATED, RENOVATED, REHABILITATED,
18 OR IMPROVED BY USING ONLY RESIDENTS OF THIS STATE FOR 1 OR MORE OF
19 THE FOLLOWING:

20 (i) TO THE EXTENT NECESSARY TO COMPLY WITH FEDERAL LAW OR
21 REGULATION CONCERNING THE USE OF FEDERAL FUNDS.

22 (ii) TO THE EXTENT THAT KEY MANAGEMENT PERSONNEL OR INDIVIDUALS
23 WITH SPECIAL SKILLS, WHO ARE NOT RESIDENTS OF THIS STATE, ARE
24 NEEDED.

25 (iii) TO THE EXTENT THAT IT WILL NOT HAVE A SIGNIFICANT ADVERSE
26 EFFECT ON THE RESIDENTS OF THIS STATE, A PROJECT LOCATED IN A
27 COUNTY THAT BORDERS ON ANOTHER STATE MAY USE RESIDENTS OF THAT

1 STATE.

2 SEC. 8H. (1) BEGINNING JULY 1, 2009, IF THE BOARD OR THE
3 MICHIGAN STRATEGIC FUND, AS APPLICABLE, DESIGNATES A RENAISSANCE
4 ZONE UNDER SECTION 8A(2), 8C, 8D, 8E, OR 8F, A TAXPAYER THAT IS A
5 BUSINESS IS NOT ABLE TO CLAIM THE EXEMPTION, DEDUCTION, OR CREDIT
6 UNDER THIS ACT UNLESS THAT TAXPAYER ENTERS INTO A WRITTEN AGREEMENT
7 WITH THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS APPLICABLE, THAT
8 PROVIDES THAT, FOR ANY WORK IN THE RENAISSANCE ZONE, THE TAXPAYER
9 WILL NOT KNOWINGLY HIRE OR CONTRACT WITH ANY BUSINESS ENTITY THAT
10 KNOWINGLY HIRES AN INDIVIDUAL WHO IS NOT AUTHORIZED UNDER FEDERAL
11 LAW TO WORK IN THE UNITED STATES.

12 (2) THE WRITTEN AGREEMENT WITH THE TAXPAYER DESCRIBED IN THIS
13 SECTION AND SECTION 8G SHALL ALSO CONTAIN A REMEDY PROVISION THAT
14 PROVIDES FOR ALL OF, BUT NOT LIMITED TO, THE FOLLOWING:

15 (A) A REQUIREMENT THAT THE TAXPAYER MAY NOT BE ELIGIBLE TO
16 CLAIM ANY FUTURE EXEMPTIONS, DEDUCTIONS, OR CREDITS UNDER THIS ACT
17 IF THE TAXPAYER IS DETERMINED TO BE IN SUBSTANTIAL VIOLATION OF THE
18 PROVISIONS OF THIS SECTION OR SECTION 8G, IF APPLICABLE, AS
19 DETERMINED BY THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS
20 APPLICABLE.

21 (B) A REQUIREMENT THAT THE TAXPAYER MAY BE REQUIRED TO REPAY
22 SOME OR ALL OF THE EXEMPTIONS, DEDUCTIONS, OR CREDITS RECEIVED
23 UNDER THIS ACT IF THE TAXPAYER IS DETERMINED TO BE IN SUBSTANTIAL
24 VIOLATION OF THE PROVISIONS OF THIS SECTION OR SECTION 8G, IF
25 APPLICABLE, AS DETERMINED BY THE BOARD OR THE MICHIGAN STRATEGIC
26 FUND, AS APPLICABLE.

27 Sec. 15. The ~~department of Michigan jobs commission~~ STRATEGIC

1 **FUND** shall annually report to the legislature on the economic
2 effects of this act in each renaissance zone. The report shall
3 include, but is not limited to, all of the following for each
4 renaissance zone:

5 (a) Number of new jobs created.

6 (b) Percentage change in aggregate taxable value and state
7 equalized value.

8 (c) Average wage of new jobs created.

9 (d) Percentage change of adjusted gross income of residents.

10 (E) **THE NUMBER OF MICHIGAN RESIDENTS EMPLOYED IN JOBS RELATED**
11 **TO THE CONSTRUCTION, OPERATION, RENOVATION, REHABILITATION, OR**
12 **IMPROVEMENT OR A FACILITY IN THE IMMEDIATELY PRECEDING YEAR.**

13 (F) **THE TOTAL NUMBER OF JOBS RELATED TO THE CONSTRUCTION,**
14 **OPERATION, RENOVATION, REHABILITATION, OR IMPROVEMENT OF A FACILITY**
15 **CREATED IN THE IMMEDIATELY PRECEDING YEAR.**

16 (G) **THE SPECIFIC REASONS FOR EACH DETERMINATION OF EXEMPTION**
17 **FROM THE PROVISIONS OF SECTION 8G(A) OR (B) MADE BY THE BOARD OR**
18 **THE MICHIGAN STRATEGIC FUND AND THE NUMBER OF JOBS RELATED TO EACH**
19 **DETERMINATION.**

20 Enacting section 1. This amendatory act does not take effect
21 unless all of the following bills of the 95th Legislature are
22 enacted into law:

23 (a) House Bill No. 4085.

24 (b) House Bill No. 4086.