



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 1085 (Substitute S-1 as reported)  
Sponsor: Senator Dale W. Zorn  
Committee: Economic Development and International Investment

### **CONTENT**

The bill would amend Chapter 8A (21st Century Investment Programs and Activities) of the Michigan Strategic Fund Act to include in the definition of "qualified new job" a job performed by an individual who is not a resident of the State but is employed by a business that is located in a county in the State that borders another state or country and who works at a project located in the State as described in a written agreement.

Chapter 8A requires the Michigan Strategic Fund (MSF) to create and operate the Michigan Business Development Program to provide grants, loans, and other economic assistance to qualified businesses that make qualified investments or provide qualified new jobs in the State.

"Qualified new job" means a job performed by an individual who is a resident of the State whose Michigan income taxes are withheld by an employer, or an employee leasing company or professional employer organization on behalf of the employer, that exceeds the number of jobs maintained by the qualified business in the State prior to the expansion or location, as determined and verified by the MSF. The bill would include a job performed by an individual meeting the criteria for a nonresident described above, in excess of the number of jobs maintained by the qualified business in Michigan before the expansion or location.

MCL 125.2088r

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill would have a minimal impact on the Department of Talent and Economic Development, but would not result in an overall increase in the total spending on economic development-related program. The Department, which houses the Michigan Strategic Fund, would experience some additional costs to modify the system for calculating a "qualified new job". These costs would be minimal and likely within current appropriation. 21<sup>st</sup> Century Investment Programs that use a "qualified new job" definition in calculating the incentive would be likely to have increases in the individual awards/grants to individual recipients/projects. However, since these programs cap the amount that can be awarded in total or in a single year, this bill would not result an additional costs beyond the caps placed on these programs.

The bill would have no fiscal impact on local government.

Date Completed: 11-29-16

Fiscal Analyst: Cory Savino