

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1046

A bill to amend 1995 PA 24, entitled  
"Michigan economic growth authority act,"  
by amending section 3 (MCL 207.803), as amended by 2000 PA 144.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3. As used in this act:

2       (a) "Authorized business" means an eligible business with  
3 which the authority has entered into a written agreement for a  
4 tax credit under section 9.

5       (b) "Authority" means the Michigan economic growth authority  
6 created under section 4.

7       (c) "Eligible business" means a business that proposes to  
8 maintain retained jobs after December 31, 1999 or to create qual-  
9 ified new jobs in this state after April 18, 1995 in  
10 manufacturing, mining, research and development, wholesale and  
11 trade, or office operations or a business that is a qualified

**SB1046, As Passed House, December 6, 2000**

Senate Bill No. 1046

2

1 high-technology business. An eligible business does not include  
2 retail establishments, professional sports stadiums, or that por-  
3 tion of an eligible business used exclusively for retail sales.  
4 Professional sports stadium does not include a sports stadium in  
5 existence on ~~the effective date of the amendatory act that added~~  
6 ~~subdivision (g) and~~ JUNE 6, 2000 that is not used by a profes-  
7 sional sports team on the date that an application related to  
8 that professional sports stadium is filed under section 8.

9 (d) "Facility" means a site within this state in which an  
10 authorized business maintains retained jobs or creates qualified  
11 new jobs. A facility does not include a site that was a vaccine  
12 laboratory owned by this state on April 1, 1995.

13 (e) "Full-time job" means a job performed by an individual  
14 who is employed by an authorized business for consideration for  
15 35 hours or more each week and for which the authorized business  
16 withholds income and social security taxes.

17 (f) "Local governmental unit" means a county, city, village,  
18 or township in this state.

19 (g) "High-technology activity" means 1 or more of the  
20 following:

21 (i) Advanced computing, which is any technology used in the  
22 design and development of any of the following:

23 (A) Computer hardware and software.

24 (B) Data communications.

25 (C) Information technologies.

**SB1046, As Passed House, December 6, 2000**

Senate Bill No. 1046

3

1       (ii) Advanced materials, which are materials with engineered  
2 properties created through the development of specialized process  
3 and synthesis technology.

4       (iii) Biotechnology, which is any technology that uses  
5 living organisms, cells, macromolecules, microorganisms, or sub-  
6 stances from living organisms to make or modify a product,  
7 improve plants or animals, or develop microorganisms for useful  
8 purposes. Biotechnology does not include human cloning as  
9 defined in section 16274 of the public health code, 1978 PA 368,  
10 MCL 333.16274, or stem cell research with embryonic tissue.

11       (iv) Electronic device technology, which is any technology  
12 that involves microelectronics, semiconductors, electronic equip-  
13 ment, and instrumentation, radio frequency, microwave, and milli-  
14 meter electronics, and optical and optic-electrical devices, or  
15 data and digital communications and imaging devices.

16       (v) Engineering or laboratory testing related to the devel-  
17 opment of a product.

18       (vi) Technology that assists in the assessment or prevention  
19 of threats or damage to human health or the environment, includ-  
20 ing, but not limited to, environmental cleanup technology, pollu-  
21 tion prevention technology, or development of alternative energy  
22 sources.

23       (vii) Medical device technology, which is any technology  
24 that involves medical equipment or products other than a pharma-  
25 ceutical product that has therapeutic or diagnostic value and is  
26 regulated.

**SB1046, As Passed House, December 6, 2000**

Senate Bill No. 1046

4

1 (viii) Product research and development.

2 (ix) Advanced vehicles technology that is any technology  
3 that involves electric vehicles, hybrid vehicles, or alternative  
4 fuel vehicles, or components used in the construction of electric  
5 vehicles, hybrid vehicles, or alternative fuel vehicles. For  
6 purposes of this act:

7 (A) "Electric vehicle" means a road vehicle that draws pro-  
8 pulsion energy only from an on-board source of electrical  
9 energy.

10 (B) "Hybrid vehicle" means a road vehicle that can draw pro-  
11 pulsion energy from both a consumable fuel and a rechargeable  
12 energy storage system.

13 (h) "New capital investment" means 1 or more of the  
14 following:

15 (i) New construction. As used in this subparagraph:

16 (A) "New construction" means property not in existence on  
17 the date the authorized business enters into a written agreement  
18 with the authority and not replacement construction. New con-  
19 struction includes the physical addition of equipment or furnish-  
20 ings, subject to section 27(2)(a) to (o) of the general property  
21 tax act, 1893 PA 206, MCL 211.27.

22 (B) "Replacement construction" means that term as defined in  
23 section 34d(1)(b)(v) of the general property tax act, 1893  
24 PA 206, MCL 211.34d.

25 (ii) The purchase of new personal property. As used in this  
26 subparagraph, "new personal property" means personal property  
27 that is not subject to or that is exempt from the collection of

**SB1046, As Passed House, December 6, 2000**

Senate Bill No. 1046

5

1 taxes under the general property tax act, 1893 PA 206, MCL 211.1  
2 to 211.157, on the date the authorized business enters into a  
3 written agreement with the authority.

4 (i) "Qualified high-technology business" means a business  
5 that is both of the following:

6 (i) A business with not less than 25% of the total operating  
7 expenses of the business used for research and development in the  
8 tax year in which the business files an application under this  
9 act as determined under generally accepted accounting principles  
10 and verified by the authority.

11 (ii) A business whose primary business activity is  
12 high-technology activity.

13 (j) "Qualified new job" means ~~a~~ EITHER OF THE FOLLOWING:

14 (i) A full-time job created by an authorized business at a  
15 facility that is in excess of the number of full-time jobs the  
16 authorized business maintained in this state prior to the expan-  
17 sion or location, as determined by the authority.

18 (ii) FOR JOBS CREATED AFTER JULY 1, 2000, A FULL-TIME JOB AT  
19 A FACILITY CREATED BY AN ELIGIBLE BUSINESS THAT IS IN EXCESS OF  
20 THE NUMBER OF FULL-TIME JOBS MAINTAINED BY THAT ELIGIBLE BUSINESS  
21 IN THIS STATE 120 DAYS BEFORE THE ELIGIBLE BUSINESS BECAME AN  
22 AUTHORIZED BUSINESS, AS DETERMINED BY THE AUTHORITY.

23 (k) "Retained jobs" means the number of full-time jobs at a  
24 facility of an authorized business maintained in this state on a  
25 specific date as that date and number of jobs is determined by  
26 the ~~Michigan economic growth~~ authority. ~~under the Michigan~~

**SB1046, As Passed House, December 6, 2000**

Senate Bill No. 1046

6

1 ~~economic growth authority act, 1995 PA 24, MCL 207.801 to~~  
2 ~~207.810.~~

3 (l) "Written agreement" means a written agreement made pur-  
4 suant to section 8.

5 Enacting section 1. This amendatory act does not take  
6 effect unless Senate Bill No. 1345 of the 90th Legislature is  
7 enacted into law.