

# SENATE BILL No. 1046

February 24, 2000, Introduced by Senator SIKKEMA and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1995 PA 24, entitled "Michigan economic growth authority act," by amending the title and sections 3, 6, 7, and 8 (MCL 207.803, 207.806, 207.807, and 207.808) and by adding section 7a.

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

1  
2  
3  
4  
5  
6  
7  
8  
9

TITLE

An act to promote economic growth and job creation within this state; to create and regulate the Michigan economic growth authority; to prescribe the powers and duties of the authority and of state and local officials; to assess and collect a fee; and to provide qualifications for AND DETERMINE ELIGIBILITY FOR TAX CREDITS AND OTHER incentives for authorized businesses AND FOR QUALIFIED TAXPAYERS.

Sec. 3. As used in this act:

1 (A) "ANNUAL CREDIT AMOUNT" MEANS THE MAXIMUM AMOUNT THAT A  
2 QUALIFIED TAXPAYER IS ELIGIBLE TO CLAIM EACH TAX YEAR FOR A  
3 CREDIT UNDER SECTION 7A(1)(B) FOR A SINGLE PROJECT, WHICH SHALL  
4 NOT EXCEED 10% OF THE TOTAL CREDIT AMOUNT FOR THAT PROJECT.

5 (B) ~~(a)~~ "Authorized business" means an eligible business  
6 with which the authority has entered into a written agreement for  
7 a tax credit under section 9.

8 (C) ~~(b)~~ "Authority" means the Michigan economic growth  
9 authority created under section 4.

10 (D) "ELIGIBLE ACTIVITIES" AND "ELIGIBLE PROPERTY" MEAN THOSE  
11 TERMS AS DEFINED IN THE BROWNFIELD REDEVELOPMENT FINANCING ACT,  
12 1996 PA 381, MCL 125.2651 TO 125.2672.

13 (E) ~~(c)~~ "Eligible business" means a business that proposes  
14 to create qualified NEW jobs in this state after ~~the effective~~  
15 ~~date of this act~~ APRIL 18, 1995 in manufacturing, mining,  
16 research and development, wholesale and trade, or office opera-  
17 tions OR A BUSINESS THAT IS A QUALIFIED HIGH-TECHNOLOGY  
18 BUSINESS. An eligible business does not include retail estab-  
19 lishments, professional sports stadiums, or that portion of an  
20 eligible business used exclusively for retail sales.

21 (F) "ELIGIBLE INVESTMENT" MEANS DEMOLITION, CONSTRUCTION,  
22 RESTORATION, ALTERATION, RENOVATION, OR IMPROVEMENT OF BUILDINGS  
23 OR SITE IMPROVEMENTS ON ELIGIBLE PROPERTY AND THE ADDITION OF  
24 MACHINERY, EQUIPMENT, AND FIXTURES TO ELIGIBLE PROPERTY AFTER THE  
25 DATE THAT ELIGIBLE ACTIVITIES ON THAT ELIGIBLE PROPERTY HAVE  
26 STARTED PURSUANT TO A BROWNFIELD PLAN UNDER THE BROWNFIELD  
27 REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO

1 125.2672, IF THE COSTS OF THE ELIGIBLE INVESTMENT ARE NOT  
2 OTHERWISE REIMBURSED TO THE TAXPAYER OR PAID FOR ON BEHALF OF THE  
3 TAXPAYER FROM ANY SOURCE OTHER THAN THE TAXPAYER. THE ADDITION OF  
4 LEASED MACHINERY, EQUIPMENT, OR FIXTURES TO ELIGIBLE PROPERTY BY  
5 A LESSEE OF THE MACHINERY, EQUIPMENT, OR FIXTURES IS ELIGIBLE  
6 INVESTMENT IF THE LEASE OF THE MACHINERY, EQUIPMENT, OR FIXTURES  
7 HAS A MINIMUM TERM OF 10 YEARS OR IS FOR THE EXPECTED USEFUL LIFE  
8 OF THE MACHINERY, EQUIPMENT, OR FIXTURES, AND IF THE OWNER OF THE  
9 MACHINERY, EQUIPMENT, OR FIXTURES IS NOT THE QUALIFIED TAXPAYER  
10 WITH REGARD TO THAT MACHINERY, EQUIPMENT, OR FIXTURES.

11 (G) ~~(d)~~ "Facility" means a site within this state in which  
12 an authorized business creates QUALIFIED new jobs. A facility  
13 does not include a site that was a vaccine laboratory owned by  
14 this state on April 1, 1995.

15 (H) ~~(e)~~ "Full-time job" means a job performed by an indi-  
16 vidual who is employed by an authorized business for considera-  
17 tion for 35 hours or more each week and for which the authorized  
18 business withholds income and social security taxes.

19 (I) ~~(f)~~ "Local governmental unit" means a county, city,  
20 village, or township in this state.

21 (J) "QUALIFIED HIGH-TECHNOLOGY BUSINESS" MEANS A BUSINESS  
22 WITH NOT LESS THAN 25% OF THE TOTAL OPERATING EXPENSES OF THE  
23 BUSINESS USED FOR RESEARCH AND DEVELOPMENT AS DETERMINED BY THE  
24 AUTHORITY AND WHOSE PRIMARY BUSINESS ACTIVITY IS 1 OR MORE OF THE  
25 FOLLOWING:

26 (i) ADVANCED COMPUTING WHICH IS ANY TECHNOLOGY USED IN THE  
27 DESIGN AND DEVELOPMENT OF COMPUTER HARDWARE AND SOFTWARE.

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 THE CONTINUALLY EXPANDING BODY  
5 OF FUNDAMENTAL KNOWLEDGE RELATED TO THE FUNCTIONING OF BIOLOGICAL  
6 SYSTEMS.

7           (iv) ELECTRONIC DEVICE TECHNOLOGY WHICH IS ANY TECHNOLOGY  
8 THAT INVOLVES MICROELECTRONICS, SEMICONDUCTORS, ELECTRONIC EQUIP-  
9 MENT, AND INSTRUMENTATION, RADIO FREQUENCY, MICROWAVE, AND MILLI-  
10 METER ELECTRONICS, AND OPTICAL AND OPTIC-ELECTRICAL DEVICES, OR  
11 DATA AND DIGITAL COMMUNICATIONS AND IMAGING DEVICES.

12           (v) ENGINEERING OR LABORATORY TESTING RELATED TO THE DEVEL-  
13 OPMENT OF A PRODUCT.

14           (vi) ENVIRONMENTAL TECHNOLOGY WHICH IS THE ASSESSMENT AND  
15 PREVENTION OF THREATS OR DAMAGE TO HUMAN HEALTH OR THE ENVIRON-  
16 MENT, ENVIRONMENTAL CLEANUP, OR DEVELOPMENT OF ALTERNATIVE ENERGY  
17 SOURCES.

18           (vii) MEDICAL DEVICE TECHNOLOGY WHICH IS ANY TECHNOLOGY THAT  
19 INVOLVES MEDICAL EQUIPMENT OR PRODUCTS OTHER THAN A PHARMACEUTI-  
20 CAL PRODUCT THAT HAS THERAPEUTIC OR DIAGNOSTIC VALUE AND IS  
21 REGULATED.

22           (viii) PRODUCT RESEARCH AND DEVELOPMENT.

23           (K) "QUALIFIED LOCAL GOVERNMENTAL UNIT" MEANS THAT TERM AS  
24 DEFINED IN THE OBSOLETE PROPERTY REHABILITATION ACT.

25           (l) ~~(g)~~ "Qualified new job" means a full-time job created  
26 by an authorized business at a facility that is in excess of the  
27 number of full-time jobs the authorized business maintained in

1 this state prior to the expansion or location, as determined by  
2 the authority.

3 (M) "QUALIFIED TAXPAYER" MEANS THAT TERM AS DEFINED IN SEC-  
4 TION 38G OF THE SINGLE BUSINESS TAX ACT, 1975 PA 228,  
5 MCL 208.38G.

6 (N) "TOTAL CREDIT AMOUNT" MEANS THE SUM OF THE CREDITS FOR A  
7 SINGLE PROJECT FOR WHICH A CERTIFICATE IS ISSUED UNDER SECTION  
8 7A.

9 (O) ~~(h)~~ "Written agreement" means a written agreement made  
10 pursuant to section 8.

11 Sec. 6. (1) The authority shall have powers necessary or  
12 convenient to carry out and effectuate the purpose of this act,  
13 including but not limited to the following:

14 (a) To authorize eligible businesses to receive tax credits  
15 to foster job creation in this state.

16 (b) To determine which businesses AND TAXPAYERS qualify for  
17 tax credits under this act.

18 (c) To determine the amount and duration of tax credits  
19 authorized under this act.

20 (d) To enter into written agreements AND ISSUE CERTIFICATES  
21 specifying the conditions under which tax credits are authorized  
22 and the circumstances under which those tax credits may be  
23 reduced or terminated.

24 (e) To charge and collect reasonable administrative fees.

25 (f) To delegate to the chairperson of the authority, staff,  
26 or others the functions and powers it ~~deems~~ CONSIDERS necessary

1 and appropriate to administer ~~this program~~ THE PROGRAMS UNDER  
2 THIS ACT.

3 (g) To promulgate rules pursuant to the administrative pro-  
4 cedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~  
5 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws~~  
6 1969 PA 306, MCL 24.201 TO 24.328, necessary to carry out the  
7 purposes of this act.

8 (h) To assist an eligible business to obtain the benefits of  
9 a tax credit, incentive, or inducement program provided by this  
10 act or by law.

11 (2) IN ADDITION TO THE POWERS UNDER SUBSECTION (1), THE  
12 AUTHORITY SHALL HAVE THE POWERS NECESSARY AND CONVENIENT TO  
13 DETERMINE THE ELIGIBILITY OF AND ISSUE CERTIFICATES TO CERTAIN  
14 QUALIFIED TAXPAYERS FOR CREDITS UNDER SECTION 38G OF THE SINGLE  
15 BUSINESS TAX ACT, 1975 PA 228, MCL 208.38G, PURSUANT TO SECTION  
16 7A.

17 Sec. 7. (1) An eligible business may apply to the authority  
18 to enter into a written agreement which authorizes a tax credit  
19 under section 9.

20 (2) The form of the application shall be as specified by the  
21 authority from time to time. The authority may request such  
22 information, in addition to that contained in an application, as  
23 may be needed to permit the authority to discharge its responsi-  
24 bilities under section 7A OR 8.

25 SEC. 7A. (1) A TAXPAYER THAT APPLIES FOR A CREDIT UNDER  
26 SECTION 38G OF THE SINGLE BUSINESS TAX ACT, 1975 PA 228,  
27 MCL 208.38G, SHALL APPLY FOR APPROVAL OF THAT CREDIT AS FOLLOWS:

1 (A) IF THE TOTAL CREDIT AMOUNT FOR ELIGIBLE INVESTMENT FOR A  
2 SINGLE PROJECT WILL BE \$1,000,000.00 OR LESS, THE TAXPAYER SHALL  
3 APPLY TO THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHOR-  
4 ITY FOR APPROVAL OF THE TOTAL CREDIT AMOUNT. IF THE TAXPAYER  
5 SHOWS THAT THE ELIGIBLE INVESTMENT WILL BE MADE TO OR ON ELIGIBLE  
6 PROPERTY, THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHOR-  
7 ITY MAY APPROVE OR DENY THE CREDIT. BEFORE A CREDIT CAN BE  
8 APPROVED UNDER THIS SUBDIVISION, THE STATE TREASURER SHALL CONCUR  
9 IN THE APPROVAL OF THE CHAIRPERSON OF THE MICHIGAN ECONOMIC  
10 GROWTH AUTHORITY. THE CHAIRPERSON OF THE MICHIGAN ECONOMIC  
11 GROWTH AUTHORITY SHALL USE THE CRITERIA IN SUBSECTION (2) WHEN  
12 APPROVING A CREDIT ALLOWED UNDER THIS SUBDIVISION AND DETERMINING  
13 THE TOTAL CREDIT AMOUNT OF THAT CREDIT. THE CHAIRPERSON OF THE  
14 MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL ISSUE AN APPROVAL LETTER  
15 THAT STATES THAT THE TAXPAYER IS A QUALIFIED TAXPAYER, THAT THE  
16 TAXPAYER'S PROPOSED INVESTMENT IS FOR ELIGIBLE ACTIVITIES, AND  
17 THE MAXIMUM TOTAL CREDIT AMOUNT THAT MAY BE CLAIMED FOR THE  
18 PROJECT WHEN THE PROJECT IS COMPLETED AND A CERTIFICATE IS ISSUED  
19 UNDER THIS SECTION. THE APPROVAL LETTER SHALL INCLUDE THE  
20 PROJECT NUMBER ASSIGNED BY THE CHAIRPERSON OF THE MICHIGAN ECO-  
21 NOMIC GROWTH AUTHORITY. THE CHAIRPERSON OF THE MICHIGAN ECONOMIC  
22 GROWTH AUTHORITY MAY APPROVE AN UNLIMITED NUMBER OF CREDITS UNDER  
23 THIS SUBDIVISION.

24 (B) IF THE TOTAL CREDIT AMOUNT FOR ELIGIBLE INVESTMENT FOR A  
25 SINGLE PROJECT WILL BE MORE THAN \$1,000,000.00 BUT \$30,000,000.00  
26 OR LESS, THE TAXPAYER SHALL APPLY TO THE MICHIGAN ECONOMIC GROWTH  
27 AUTHORITY FOR APPROVAL OF THE TOTAL CREDIT AMOUNT. IF THE

1 TAXPAYER SHOWS THAT THE ELIGIBLE INVESTMENT WILL BE MADE TO OR ON  
2 ELIGIBLE PROPERTY, THE MICHIGAN ECONOMIC GROWTH AUTHORITY MAY  
3 APPROVE OR DENY THE CREDIT. BEFORE A CREDIT CAN BE APPROVED  
4 UNDER THIS SUBDIVISION, THE STATE TREASURER SHALL CONCUR IN THE  
5 APPROVAL OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY. THE MICHIGAN  
6 ECONOMIC GROWTH AUTHORITY SHALL USE THE CRITERIA IN  
7 SUBSECTION (3) WHEN APPROVING A CREDIT UNDER THIS SUBDIVISION AND  
8 DETERMINING THE TOTAL CREDIT AMOUNT OF THAT CREDIT. THE MICHIGAN  
9 ECONOMIC GROWTH AUTHORITY SHALL NOT APPROVE MORE THAN 15 CREDITS  
10 UNDER THIS SUBDIVISION DURING EACH CALENDAR YEAR OF WHICH NOT  
11 MORE THAN 3 SHALL BE FOR TOTAL CREDIT AMOUNTS FOR ELIGIBLE  
12 INVESTMENT OF MORE THAN \$10,000,000.00 BUT \$30,000,000.00 OR  
13 LESS. THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY  
14 SHALL ISSUE AN APPROVAL LETTER THAT STATES THAT THE TAXPAYER IS A  
15 QUALIFIED TAXPAYER, THAT THE TAXPAYER'S PROPOSED INVESTMENT IS  
16 FOR ELIGIBLE ACTIVITIES, THE MAXIMUM TOTAL CREDIT AMOUNT THAT MAY  
17 BE CLAIMED FOR THE PROJECT WHEN THE PROJECT IS COMPLETED AND A  
18 CERTIFICATE IS ISSUED UNDER THIS SECTION, AND, FOR CREDITS THAT  
19 ARE MORE THAN \$10,000,000.00 BUT NOT MORE THAN \$30,000,000.00,  
20 THE ANNUAL CREDIT AMOUNT WHICH SHALL NOT EXCEED 10% OF THE TOTAL  
21 CREDIT AMOUNT. THE APPROVAL LETTER SHALL INCLUDE THE PROJECT  
22 NUMBER ASSIGNED BY THE CHAIRPERSON OF THE MICHIGAN ECONOMIC  
23 GROWTH AUTHORITY.

24 (2) THE CHAIRPERSON OF THE AUTHORITY SHALL REVIEW ALL APPLI-  
25 CATIONS FOR CREDITS UNDER SUBSECTION (1)(A) AND, IF APPROVED,  
26 SHALL DETERMINE THE AMOUNT OF THE CREDIT, WHICH SHALL BE NOT MORE  
27 THAN 10% OF ELIGIBLE INVESTMENT AS CALCULATED UNDER SECTION 38G

1 OF THE SINGLE BUSINESS TAX ACT, 1975 PA 228, MCL 208.38G, FOR  
2 EACH PROJECT. THE CHAIRPERSON OF THE AUTHORITY SHALL CONSIDER  
3 THE FOLLOWING CRITERIA WHEN APPROVING A CREDIT UNDER  
4 SUBSECTION (1)(A) AND DETERMINING THE TOTAL CREDIT AMOUNT FOR  
5 EACH PROJECT:

6 (A) THE OVERALL BENEFIT TO THE PUBLIC.

7 (B) THE EXTENT OF REUSE OF VACANT BUILDINGS AND REDEVELOP-  
8 MENT OF BLIGHTED AREAS.

9 (C) THE PROJECT IS IN A QUALIFIED LOCAL UNIT OF GOVERNMENT  
10 OR AREA OF HIGH UNEMPLOYMENT.

11 (D) THE LEVEL AND EXTENT OF CONTAMINATION ALLEVIATED BY THE  
12 PROJECT TO THE EXTENT KNOWN TO THE QUALIFIED TAXPAYER.

13 (E) THE LEVEL OF PRIVATE SECTOR CONTRIBUTION.

14 (F) THE COST GAP THAT EXISTS BETWEEN THE SITE AND A SIMILAR  
15 GREENFIELD SITE AS DETERMINED BY THE CHAIRPERSON.

16 (G) IF THE QUALIFIED TAXPAYER IS MOVING FROM ANOTHER PART OF  
17 THE STATE, WHETHER THE MOVE WILL CREATE A BROWNFIELD.

18 (H) THE ELIGIBLE INVESTMENT WOULD NOT OCCUR IN THIS STATE  
19 WITHOUT THE TAX CREDIT OFFERED UNDER THIS SECTION.

20 (I) ANY OTHER CRITERIA THAT THE CHAIRPERSON CONSIDERS APPRO-  
21 PRIATE FOR THE DETERMINATION OF ELIGIBILITY UNDER THIS SECTION.

22 (3) THE AUTHORITY SHALL REVIEW ALL APPLICATIONS FOR CREDITS  
23 UNDER SUBSECTION (1)(B) AND, IF APPROVED, SHALL DETERMINE THE  
24 AMOUNT OF THE CREDIT, WHICH SHALL BE NOT MORE THAN 10% OF ELIGI-  
25 BLE INVESTMENT AS CALCULATED UNDER SECTION 38G OF THE SINGLE  
26 BUSINESS TAX ACT, 1975 PA 228, MCL 208.38G, FOR EACH PROJECT.

27 BEFORE APPROVING A CREDIT AMOUNT OF MORE THAN \$10,000,000.00 BUT

1 \$30,000,000.00 OR LESS ONLY, THE AUTHORITY SHALL DETERMINE THAT  
2 THE ELIGIBLE INVESTMENT WOULD NOT OCCUR IN THIS STATE WITHOUT THE  
3 TAX CREDIT OFFERED UNDER THIS SECTION. THE AUTHORITY SHALL CON-  
4 sider the following criteria when approving a credit under  
5 subsection (1)(B) and determining the total credit amount for  
6 each project:

7 (A) THE OVERALL BENEFIT TO THE PUBLIC.

8 (B) THE EXTENT OF REUSE OF VACANT BUILDINGS AND REDEVELOP-  
9 MENT OF BLIGHTED AREAS.

10 (C) SUBSTANTIAL CREATION OF JOBS.

11 (D) THE PROJECT IS IN A QUALIFIED LOCAL UNIT OF GOVERNMENT  
12 OR AREA OF HIGH UNEMPLOYMENT.

13 (E) THE LEVEL AND EXTENT OF CONTAMINATION ALLEVIATED BY THE  
14 PROJECT TO THE EXTENT KNOWN TO THE QUALIFIED TAXPAYER.

15 (F) WHETHER THE LEVEL OF PRIVATE SECTOR CONTRIBUTION EXCEEDS  
16 \$10,000,000.00.

17 (G) THE COST GAP THAT EXISTS BETWEEN THE SITE AND A SIMILAR  
18 GREENFIELD SITE AS DETERMINED BY THE AUTHORITY.

19 (H) IF THE QUALIFIED TAXPAYER IS MOVING FROM ANOTHER PART OF  
20 THE STATE, WHETHER THE MOVE WILL CREATE A BROWNFIELD.

21 (I) THE FINANCIAL STATEMENTS OF THE QUALIFIED TAXPAYER INDI-  
22 CATE THAT IT IS FINANCIALLY SOUND AND THAT THE PROJECT IS ECONOM-  
23 ICALLY SOUND.

24 (J) THE ELIGIBLE INVESTMENT WOULD NOT OCCUR IN THIS STATE  
25 WITHOUT THE TAX CREDIT OFFERED UNDER THIS SECTION.

1 (K) ANY OTHER CRITERIA THAT THE AUTHORITY CONSIDERS  
2 APPROPRIATE FOR THE DETERMINATION OF ELIGIBILITY UNDER THIS  
3 SUBSECTION.

4 (4) A QUALIFIED TAXPAYER MAY APPLY UNDER THIS SECTION FOR  
5 CREDITS UNDER SECTION 38G OF THE SINGLE BUSINESS TAX ACT, 1975  
6 PA 228, MCL 208.38G, FOR MORE THAN 1 PROJECT IN A TAX YEAR. EACH  
7 CREDIT APPROVED AND EACH CREDIT FOR WHICH A CERTIFICATE IS ISSUED  
8 UNDER THIS SECTION SHALL BE FOR A SINGLE PROJECT. THE CHAIR-  
9 PERSON OF THE AUTHORITY SHALL DETERMINE IF AN APPLICATION IS FOR  
10 A SINGLE PROJECT OR MULTIPLE PROJECTS.

11 (5) WHEN A PROJECT IS COMPLETED FOR WHICH A CREDIT IS  
12 APPROVED UNDER THIS SECTION, THE MICHIGAN ECONOMIC GROWTH AUTHOR-  
13 ITY SHALL ISSUE A CERTIFICATE TO EACH QUALIFIED TAXPAYER THAT HAS  
14 MADE ELIGIBLE INVESTMENT ON A SINGLE PROJECT THAT STATES ALL OF  
15 THE FOLLOWING:

16 (A) EACH TAXPAYER IS A QUALIFIED TAXPAYER.

17 (B) THE TOTAL CREDIT AMOUNT.

18 (C) EACH TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER  
19 OR THE MICHIGAN TREASURY NUMBER ASSIGNED TO THE TAXPAYER.

20 (D) THE PROJECT NUMBER ASSIGNED BY THE AUTHORITY.

21 (E) FOR A CREDIT UNDER SUBSECTION (1)(B) FOR A TOTAL CREDIT  
22 AMOUNT OF MORE THAN \$10,000,000.00 BUT \$30,000,000.00 OR LESS,  
23 THE ANNUAL CREDIT AMOUNT AND THE SCHEDULE ON WHICH THE ANNUAL  
24 CREDIT AMOUNT SHALL BE CLAIMED BY THE QUALIFIED TAXPAYER.

25 (6) EXCEPT AS PROVIDED IN SECTION 38G OF THE SINGLE BUSINESS  
26 TAX ACT, 1975 PA 228, MCL 208.38G, QUALIFIED TAXPAYERS SHALL

1 CLAIM CREDITS APPROVED UNDER THIS SECTION IN THE TAX YEAR IN  
2 WHICH THE CERTIFICATE IS ISSUED.

3 (7) ELIGIBLE INVESTMENT FOR LEASED MACHINERY, EQUIPMENT, OR  
4 FIXTURES SHALL BE CALCULATED BASED ON THE COST OF THAT PROPERTY  
5 HAD IT BEEN PURCHASED.

6 (8) CREDITS CLAIMED BY A LESSEE OF ELIGIBLE PROPERTY ARE  
7 SUBJECT TO THE TOTAL CREDIT AMOUNT LIMITATION UNDER SUBSECTION  
8 (1) THAT APPLIES TO THE SUM OF CREDITS APPROVED FOR THE OWNERS  
9 AND LESSEES OF A PROJECT THAT ARE QUALIFIED TAXPAYERS.

10 (9) THE AUTHORITY SHALL DEVELOP THE APPLICATION PROCESS AND  
11 APPROPRIATE FORMS REQUIRED UNDER THIS SECTION.

12 Sec. 8. (1) After receipt of an application, the authority  
13 may enter into an agreement with an eligible business for a tax  
14 credit under section 9 if the authority determines that all of  
15 the following are met:

16 (a) The eligible business creates ~~a~~ 1 OR MORE OF THE FOL-  
17 LOWING WITHIN 12 MONTHS OF THE EXPANSION OR LOCATION AS DETER-  
18 MINED BY THE AUTHORITY:

19 (i) A minimum of 75 qualified new jobs at the facility if  
20 expanding in this state. ~~,~~

21 (ii) A MINIMUM OF 150 qualified new jobs at the facility if  
22 locating in this state. ~~, or~~

23 (iii) A MINIMUM OF 25 qualified new jobs at the facility if  
24 the facility is located in a neighborhood enterprise zone as  
25 determined under the neighborhood enterprise zone act, ~~Act~~  
26 ~~No. 147 of the Public Acts of 1992, being sections 207.771 to~~  
27 ~~207.787 of the Michigan Compiled Laws~~ 1992 PA 147, MCL 207.771

1 TO 207.787, IS LOCATED IN A RENAISSANCE ZONE UNDER THE MICHIGAN  
 2 RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696, or  
 3 is located in a federally designated empowerment zone, rural  
 4 enterprise community, or enterprise community. ~~, within 12~~  
 5 ~~months of the expansion or location as determined by the~~  
 6 ~~authority.~~

7 (iv) A MINIMUM OF 5 QUALIFIED NEW JOBS AT THE FACILITY IF  
 8 THE ELIGIBLE BUSINESS IS A QUALIFIED HIGH-TECHNOLOGY BUSINESS.

9 (b) The eligible business agrees to maintain ~~a~~ 1 OR MORE  
 10 OF THE FOLLOWING FOR EACH YEAR THAT A CREDIT IS AUTHORIZED UNDER  
 11 THIS ACT:

12 (i) A minimum of 75 qualified new jobs at the facility if  
 13 expanding in this state. ~~, a~~

14 (ii) A minimum of 150 qualified new jobs at the facility if  
 15 locating in this state. ~~, or~~

16 (iii) A MINIMUM OF 25 qualified new jobs at the facility if  
 17 the facility is located in a neighborhood enterprise zone as  
 18 determined under the neighborhood enterprise zone act, ~~Act~~  
 19 ~~No. 147 of the Public Acts of 1992, being sections 207.771 to~~  
 20 ~~207.787 of the Michigan Compiled Laws~~ 1992 PA 147, MCL 207.771  
 21 TO 207.787, IS LOCATED IN A RENAISSANCE ZONE UNDER THE MICHIGAN  
 22 RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696, or  
 23 is located in a federally designated empowerment zone, rural  
 24 enterprise community, or enterprise community. ~~, for each year~~  
 25 ~~that a credit is authorized under this act.~~

26 (iv) IF THE ELIGIBLE BUSINESS IS A QUALIFIED HIGH-TECHNOLOGY  
 27 BUSINESS, THEN BOTH OF THE FOLLOWING APPLY:

1 (A) A MINIMUM OF 5 QUALIFIED NEW JOBS AT THE FACILITY.

2 (B) A MINIMUM OF 25 QUALIFIED NEW JOBS AT THE FACILITY  
3 WITHIN 5 YEARS AFTER THE DATE OF THE AGREEMENT AND MAINTAINS EACH  
4 YEAR THEREAFTER A MINIMUM OF 25 QUALIFIED NEW JOBS AT THE FACIL-  
5 ITY EACH YEAR THAT A CREDIT IS AUTHORIZED UNDER THIS ACT.

6 (c) In addition to the jobs specified in subdivision (b),  
7 the eligible business, if already located within this state,  
8 agrees to maintain a number of full-time jobs equal to or greater  
9 than the number of full-time jobs it maintained in this state  
10 prior to the expansion, as determined by the authority.

11 (d) ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION,  
12 THE average wage paid for all qualified new jobs is equal to or  
13 greater than 150% of the federal minimum wage. HOWEVER, IF THE  
14 ELIGIBLE BUSINESS IS A QUALIFIED HIGH-TECHNOLOGY BUSINESS, THEN  
15 THE AVERAGE WAGE PAID FOR ALL QUALIFIED NEW JOBS IS EQUAL TO OR  
16 GREATER THAN 400% OF THE FEDERAL MINIMUM WAGE.

17 (e) ~~The~~ EXCEPT FOR A QUALIFIED HIGH-TECHNOLOGY BUSINESS,  
18 THE expansion or location of the eligible business will not occur  
19 in this state without the tax credits offered under this act.

20 (f) The local governmental unit in which the eligible busi-  
21 ness will expand or be located, or a local economic development  
22 corporation or similar entity, will make a staff, financial, or  
23 economic commitment to the eligible business for the expansion or  
24 location.

25 (g) The financial statements of the eligible business indi-  
26 cated that it is financially sound and that its plans for the  
27 expansion or location are economically sound.

1 (h) The eligible business has not begun construction of the  
2 facility.

3 (i) The expansion or location of the eligible business will  
4 benefit the people of this state by increasing opportunities for  
5 employment and by strengthening the economy of this state.

6 (j) The tax credits offered under this act are an incentive  
7 to expand or locate the eligible business in Michigan and address  
8 the competitive disadvantages with sites outside this state.

9 (k) A cost/benefit analysis reveals that authorizing the  
10 eligible ~~company~~ BUSINESS to receive tax credits under this act  
11 will result in an overall positive fiscal impact to the state.

12 (l) If feasible, as determined by the authority, in locating  
13 the facility, the authorized business reuses or redevelops prop-  
14 erty that was previously used for an industrial or commercial  
15 purpose.

16 ~~(m) That the expansion or location of the qualified busi-~~  
17 ~~ness will not have the effect of transferring employment from 1~~  
18 ~~or more local governmental units to the local governmental unit~~  
19 ~~in which the facility is to be located unless the legislative~~  
20 ~~body of each local governmental unit from which employment is to~~  
21 ~~be transferred consents by resolution to the transfer.~~

22 (2) If the authority determines that the requirements of  
23 subsection (1) have been met, the authority shall determine the  
24 amount and duration of tax credits to be authorized under section  
25 9, and shall enter into a written agreement as provided in this  
26 section. The duration of the tax credits shall not exceed 20

1 years. In determining the amount and duration of tax credits  
2 authorized, the authority shall consider the following factors:

3 (a) The number of qualified new jobs to be created.

4 (b) The average wage level of the qualified new jobs rela-  
5 tive to the average wage paid by private entities in the county  
6 in which the facility is located.

7 (c) The total capital investment the eligible business will  
8 make.

9 (d) The cost differential to the business between expanding  
10 or locating in Michigan and a site outside of Michigan.

11 (e) The potential impact of the expansion or location on the  
12 economy of Michigan.

13 (f) The cost of the credit under section 9, the staff,  
14 financial, or economic assistance provided by the local govern-  
15 ment unit, or local economic development corporation or similar  
16 entity, and the value of assistance otherwise provided by the  
17 state.

18 (3) A written agreement between an eligible business and the  
19 authority shall include, but need not be limited to, all of the  
20 following:

21 (a) A description of the business expansion or location that  
22 is the subject of the agreement.

23 (b) Conditions upon which the authorized business designa-  
24 tion is made.

25 (c) A statement by the eligible business that a violation of  
26 the written agreement may result in the revocation of the

1 designation as an authorized business and the loss or reduction  
2 of future credits under section 9.

3 (d) A statement by the eligible business that a misrepresen-  
4 tation in the application may result in the revocation of the  
5 designation as an authorized business and the refund of credits  
6 received under section 9.

7 (e) A method for measuring full-time jobs prior to and after  
8 an expansion or location of an authorized business in this  
9 state.

10 (f) A written certification from the eligible business  
11 regarding all of the following:

12 (i) The eligible business will follow a competitive bid pro-  
13 cess for the construction, rehabilitation, development, or reno-  
14 vation of the facility, and that this process will be open to all  
15 Michigan residents and firms. The eligible business may not dis-  
16 criminate against any contractor on the basis of its affiliation  
17 or nonaffiliation with any collective bargaining organization.

18 (ii) The eligible business will make a good faith effort to  
19 employ, if qualified, Michigan residents at the facility.

20 (iii) The eligible business will make a good faith effort to  
21 employ or contract with Michigan residents and firms to con-  
22 struct, rehabilitate, develop, or renovate the facility.

23 (g) If the authority determines that it is necessary to pro-  
24 vide infrastructure assistance for the location or expansion of  
25 an eligible business within an international tradeport develop-  
26 ment zone under the international tradeport development authority  
27 act, ~~Act No. 325 of the Public Acts of 1994,~~ being

1 ~~sections 125.2521 to 125.2546 of the Michigan Compiled Laws 1994~~  
2 PA 325, MCL 125.2521 TO 125.2546, a statement that if the autho-  
3 rized business locates or expands within that international  
4 tradeport development zone, that all or a portion of the tax  
5 credit received each year by the authorized business, as deter-  
6 mined by the authority, shall be assigned by the authorized busi-  
7 ness to the international tradeport development authority for  
8 infrastructure improvements within the international tradeport  
9 development zone under ~~Act No. 325 of the Public Acts of 1994~~  
10 THE INTERNATIONAL TRADEPORT DEVELOPMENT AUTHORITY ACT, 1994  
11 PA 325, MCL 125.2521 TO 125.2546.

12 (4) Upon execution of a written agreement as provided in  
13 this section, an eligible business is an authorized business.

14 (5) The authority shall not execute more than 25 new written  
15 agreements each year FOR ELIGIBLE BUSINESSES THAT ARE NOT QUALI-  
16 FIED HIGH-TECHNOLOGY BUSINESSES. IF THE AUTHORITY EXECUTES LESS  
17 THAN 25 NEW WRITTEN AGREEMENTS IN A YEAR, THE AUTHORITY MAY CARRY  
18 FORWARD THE DIFFERENCE BETWEEN 25 AND THE NUMBER OF NEW AGREE-  
19 MENTS EXECUTED FOR 1 YEAR ONLY.

20 (6) THE AUTHORITY SHALL NOT EXECUTE MORE THAN 50 NEW WRITTEN  
21 AGREEMENTS EACH YEAR FOR ELIGIBLE BUSINESSES THAT ARE QUALIFIED  
22 HIGH-TECHNOLOGY BUSINESSES.

23 Enacting section 1. This amendatory act does not take  
24 effect unless all of the following bills of the 90th Legislature  
25 are enacted into law:

26 (a) Senate Bill No. 269.

- 1 (b) House Bill No. 4400.
- 2 (c) Senate Bill No. 1047.
- 3
- 4 (d) Senate Bill No. 1048.
- 5