

**SUBSTITUTE FOR
SENATE BILL NO. 579**

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 9 (MCL 125.2009), as amended by 2021 PA 136,
and by adding chapter 8F.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) The fund shall transmit to each member of the
2 legislature, the governor, the clerk of the house of
3 representatives, the secretary of the senate, and the senate and
4 house fiscal agencies annually a report of its activities. The
5 report ~~shall~~**must** be transmitted not later than April 10 of each
6 year for activities in the immediately preceding state fiscal year.
7 The report ~~shall~~**must** not include information exempt from
8 disclosure under section 5. The report ~~shall~~**must** include, but is

1 not limited to, all of the following for each program operated
2 under this act:

3 (a) A list of entities that received financial assistance.

4 (b) The type of project or product being financed.

5 (c) The amount and type of financial assistance.

6 (d) For each separate form of financial assistance, all of the
7 following:

8 (i) The number of new jobs committed or projected when the
9 financial assistance was applied for.

10 (ii) The number of retained jobs committed or projected when
11 the financial assistance was applied for.

12 (iii) The actual number of new jobs created that are not
13 temporary employees.

14 (iv) The actual number of retained jobs that are not temporary
15 employees.

16 (v) The average annual salary of the new jobs created that are
17 not temporary employees.

18 (vi) The average annual salary of the retained jobs that are
19 not temporary employees.

20 (e) The duration of the financial assistance.

21 (f) The amount of financial support other than state
22 resources.

23 (g) Money or other revenue or property returned to the fund,
24 including any repayments through a clawback provision in the
25 agreement.

26 (h) The status of all loans of the fund.

27 (i) A list of all entities that are in bankruptcy, ~~that of~~
28 **which** the fund has received actual notice, ~~of,~~ filed by a direct
29 recipient of an active single incentive of at least \$500,000.00. In

1 addition, the fund shall, within 120 days after the fund receives
2 notice, provide a report of the notice of bankruptcy on its website
3 and shall forward the report to each of the following:

4 (i) The senate majority leader and the senate minority leader.

5 (ii) The speaker of the house and the house minority leader.

6 (iii) The members of the house commerce and tourism committee.

7 (iv) The members of the house appropriations subcommittee on
8 general government.

9 (v) The members of the senate economic and small business
10 development committee.

11 (vi) The members of the senate appropriations subcommittee on
12 general government.

13 (j) A summary of the approximate administrative costs used to
14 administer the programs and activities authorized under this act.

15 (k) Any other information as required in this section.

16 (2) The auditor general or a certified public accountant
17 appointed by the auditor general annually shall conduct and remit
18 to the legislature an audit of the fund and, in the conduct of the
19 audit, shall have access to all records of the fund at any time,
20 whether or not confidential. Each audit required by this section
21 shall include a determination of whether the fund is likely to be
22 able to continue to meet its obligations, including a report on the
23 status of outstanding loans and agreements made by the fund.

24 (3) The fund shall also transmit the audit described in
25 subsection (2) to the chairperson and minority vice-chairperson of
26 the senate appropriations subcommittee on general government and
27 the house of representatives appropriations subcommittee on general
28 government. The fund shall make the report and audit available to
29 the public on the fund's website.

1 (4) The report described in subsection (1) must also contain
2 all of the following that are related to a 21st century investment
3 made by the fund board under chapter 8A:

4 (a) The amount of qualified venture capital fund investments,
5 qualified mezzanine fund investments, and qualified private equity
6 fund investments under management in this state, including year-to-
7 year growth.

8 (b) The value of loan enhancement program investments,
9 qualified private equity fund investments, qualified mezzanine fund
10 investments, and qualified venture capital investments in qualified
11 businesses, including year-to-year growth.

12 (c) A statement of the amount of money in each loan reserve
13 fund established under the small business capital access program
14 required under chapter 8A.

15 (5) The report described in subsection (1) must also include,
16 but is not limited to, all of the following for all actions under
17 section 88r:

18 (a) The total actual amount of qualified investment attracted
19 under section 88r as reported to the fund.

20 (b) The total actual number of new jobs created under section
21 88r as reported to the fund.

22 (c) The actual amount of the grant, loan, or other economic
23 assistance made under section 88r separately for each qualified
24 business verified by the fund.

25 (d) For each qualified business, whether it is a new business,
26 whether it is an expansion of an existing business, or whether it
27 relocated from outside of this state.

28 (e) An evaluation of the aggregate return on investment that
29 this state realizes on the actual qualified new jobs and actual

1 qualified investment made by qualified businesses.

2 (6) The report described in subsection (1) must also include,
3 but is not limited to, all of the following for all actions under
4 chapter 8B:

5 (a) For tourism promotion efforts, all of the following:

6 (i) An itemized list, by market, of how much was spent, types
7 of media purchased, and target of the tourism promotion campaign.

8 (ii) The return on investment analysis that utilizes existing
9 baseline data and compares results with prior outcome evaluations
10 funded by Travel Michigan.

11 (b) For business development efforts, all of the following:

12 (i) An itemized list, by market, of how much was spent, types
13 of media purchased, and target of the business promotion campaign.

14 (ii) A performance analysis that compares the program or
15 campaign objectives and outcome of the campaign or program.

16 (7) The report described in subsection (1) must also include,
17 but is not limited to, all of the following for all actions under
18 section 90d:

19 (a) The total actual amount of private investment attracted
20 under section 90d as reported to the fund.

21 (b) The actual amount of the community revitalization
22 incentives made under chapter 8C separately for each project.

23 (c) The total actual amount of square footage revitalized or
24 added for each project approved under section 90d as reported to
25 the fund. When reporting square footage, the person must report the
26 square footage by category, including, but not limited to,
27 commercial, residential, or retail.

28 (d) The aggregate increase in taxable value of all property
29 subject to a written agreement under chapter 8C when established

1 and recorded by the local units of government and as reported to
2 the fund.

3 (e) The total actual number of residential units revitalized
4 or added for each project approved under section 90d as reported to
5 the fund.

6 (f) Each project that received a community revitalization
7 incentive outside the fund program standards and guidelines and why
8 the variance was given.

9 (8) Beginning on and after January 1, 2012, on a monthly basis
10 the fund shall provide exact copies of all information regarding
11 all actions under chapter 8C that is provided to board members of
12 the fund for the purpose of monthly board meetings, subject to
13 confidentiality under section 5, to each of the following and post
14 that information on the fund's website:

15 (a) The chairperson and minority vice-chairperson of the house
16 commerce and tourism committee.

17 (b) The chairperson and minority vice-chairperson of the house
18 appropriations subcommittee on general government.

19 (c) The chairperson and minority vice-chairperson of the
20 senate economic and small business development committee.

21 (d) The chairperson and minority vice-chairperson of the
22 senate appropriations subcommittee on general government.

23 (9) The report described in subsection (1) must also include a
24 summary of the approximate administrative costs used to administer
25 the programs and activities authorized in the following sections:

26 (a) Section 88b.

27 (b) Section 88h.

28 (c) Section 90b.

29 (10) The report described in subsection (1) must also include,

1 but is not limited to, all of the following for all actions for
2 business incubators approved by the fund after January 14, 2015:

3 (a) The number of new jobs created and projected new job
4 growth by current clients of the business incubator.

5 (b) Amounts of other funds leveraged by current clients of the
6 business incubator.

7 (c) Increases in revenue for current clients of the business
8 incubator.

9 (11) The report described in subsection (1) must also include
10 the actual repayments received by the fund for failure to comply
11 with clawback provisions of the written agreement under all of the
12 following:

13 (a) Section 78.

14 (b) Section 88d.

15 (c) Section 88k.

16 (d) Section 88q.

17 (e) Section 88r.

18 (f) Section 90b.

19 (12) Beginning on July 1, 2015, the fund shall post on the
20 fund's website a list of each contract, agreement, or other written
21 loan or grant documentation for financial assistance under sections
22 88r and 90b that the fund entered into or modified in the
23 immediately preceding fiscal year.

24 (13) Beginning on July 1, 2015, the fund shall post and update
25 periodically all of the following on its website for all loans made
26 under sections 88r and 90b:

27 (a) A description of the project for which the loan was made.

28 (b) The total amount of the loan.

29 (c) Whether payments on the loan balance are current or

1 delinquent.

2 (d) The interest rate of the loan.

3 (14) Beginning July 1, 2015, the report described in
4 subsection (1) ~~shall~~**must** also contain all of the following for
5 each program that provides financial assistance under this act that
6 requires a site visit:

7 (a) A copy of the site visit guidelines for that program.

8 (b) The number of site visits conducted under that program.

9 (c) The chief compliance officer shall review and evaluate
10 compliance with the site visit guidelines.

11 (15) The fund shall post on its website and update
12 periodically all of the information described in subsection (14).

13 (16) The report described in subsection (1) must also include,
14 but is not limited to, all of the following for all written
15 agreements related to the good jobs for Michigan program created
16 under chapter 8D **or the high-wage incentive for regional employment**
17 **in (H.I.R.E.) Michigan program created under chapter 8F:**

18 (a) The name of the authorized business.

19 (b) The number of certified new jobs required to be
20 maintained.

21 (c) The amount and duration of the withholding tax capture
22 revenues.

23 (17) The report described in subsection (1) must also include
24 the activities of the critical industry program described in
25 section 88s.

26 (18) The report described in subsection (1) must also include
27 the activities of the Michigan strategic site readiness program
28 described in section 88t.

29 (19) As used in this section, "financial assistance" means

1 grants, loans, other economic assistance, and any other incentives
2 or assistance under this act.

3 CHAPTER 8F

4 Sec. 90t. As used in this chapter:

5 (a) "Authorized business" means an eligible business that has
6 met the requirements of this chapter and with which the fund has
7 entered into a written agreement for withholding tax capture
8 revenues under this chapter and section 51f of the income tax act
9 of 1967, 1967 PA 281, MCL 206.51f.

10 (b) "Casino" means a casino regulated by this state under the
11 Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to
12 432.226, a casino at which gaming is conducted under the Indian
13 gaming regulatory act, Public Law 100-497, or property associated
14 or affiliated with the operation of either type of casino described
15 in this subdivision, including, but not limited to, a parking lot,
16 hotel, or motel.

17 (c) "Certified new job" means a permanent, full-time job
18 created by an authorized business at a facility in this state that
19 is in excess of the number of permanent, full-time jobs that
20 authorized business maintained in this state before the expansion
21 or location and the number of permanent, full-time jobs that the
22 authorized business acquired through a merger or acquisition that
23 were located in this state before the expansion or location, as
24 determined by the fund.

25 (d) "Eligible business" means a business other than a retail
26 establishment, professional sports stadium, casino, or that portion
27 of an eligible business used exclusively for retail sales that
28 proposes to create 1 or more of the following as determined by the
29 fund:

1 (i) A minimum of 250 certified new jobs in this state with an
2 annual wage that is equal to 150% or more of the prosperity region
3 median wage.

4 (ii) A minimum of 25 certified new jobs in this state with an
5 annual wage that is equal to 175% or more of the prosperity region
6 median wage.

7 (iii) A minimum of 25 certified new jobs in this state with an
8 annual wage that is equal to 135% or more of the prosperity region
9 median wage and located in a county with a population of 50,000 or
10 less according to the most recent federal decennial census.

11 (e) "Facility" means a site or sites within this state in
12 which an authorized business creates certified new jobs.

13 (f) "Full-time job" means a full-time job as determined by the
14 fund performed by an individual whose income and Social Security
15 taxes are withheld by 1 or more of the following:

16 (i) An authorized business.

17 (ii) An employee leasing company.

18 (iii) A professional employer organization on behalf of the
19 authorized business.

20 (g) "H.I.R.E. Michigan fund" means the high-wage incentive for
21 regional employment in (H.I.R.E.) Michigan fund created in section
22 90w.

23 (h) "Municipality" means that term as defined in section 4.

24 (i) "Prosperity region" means each of the 10 prosperity
25 regions identified by the department of technology, management, and
26 budget on August 25, 2017.

27 (j) "Prosperity region median wage" means the median annual
28 wage for the prosperity region where the facility is located based
29 on the most recent data made available by the Michigan bureau of

1 labor market information and strategic initiatives.

2 (k) "Withholding tax capture revenues" means the amount of
3 income tax withheld under chapter 17 of the income tax act of 1967,
4 1967 PA 281, MCL 206.701 to 206.715, each calendar year that is
5 attributable to individuals employed within certified new jobs. The
6 state treasurer shall develop methods and processes that are
7 necessary for each authorized business to report the amount of
8 withholding under chapter 17 of the income tax act of 1967, 1967 PA
9 281, MCL 206.701 to 206.715, from individuals employed within
10 certified new jobs.

11 (l) "Written agreement" means a written agreement made between
12 the eligible business and the fund under this chapter.

13 Sec. 90u. (1) The fund shall create the high-wage incentive
14 for regional employment in (H.I.R.E.) Michigan program to authorize
15 the transfer of the dedicated portion of withholding tax capture
16 revenues to authorized businesses that provide certified new jobs
17 in this state. The program shall be operated and administered by
18 the authorized employees, officers, and agents of the fund, which
19 may include employees of the Michigan economic development
20 corporation. The fund or its designees shall develop program
21 guidelines and use a detailed application, approval, and compliance
22 process that is published and available on the fund's website.

23 (2) An eligible business may apply to the fund to enter into a
24 written agreement that authorizes the payment of withholding tax
25 capture revenues under this chapter.

26 (3) The fund may request information, in addition to that
27 contained in an application, if needed to permit the fund to
28 discharge its responsibilities under this chapter.

29 (4) After receipt of an application, the fund may enter into

1 an agreement with an eligible business for withholding tax capture
2 revenues under this chapter if the fund determines that all of the
3 following are met:

4 (a) The eligible business proposes to create and maintain the
5 minimum number of certified new jobs at a facility in this state
6 and to pay an annual wage that is described in section 90t(d).

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

12 (c) The plans for the expansion or location are economically
13 sound.

14 (d) The expansion or location of the eligible business will
15 benefit the people of this state by increasing opportunities for
16 employment and by strengthening the economy of this state.

17 (e) The withholding tax capture revenues offered under this
18 chapter and paid from the H.I.R.E. Michigan fund are an incentive
19 to expand or locate the eligible business in this state and address
20 a need for additional assistance for deal closing and second stage
21 company gap financing.

22 (f) An industry-recognized regional economic model cost-
23 benefit analysis reveals that the payment of withholding tax
24 capture revenues under this chapter to an eligible business will
25 result in an overall positive fiscal impact to this state.

26 (g) The eligible business will create the requisite number of
27 certified new jobs not later than 5 years after entering into the
28 written agreement as determined by the fund.

29 (h) The eligible business will maintain the number of

1 certified new jobs throughout the duration of the period of time
2 that the authorized business receives withholding tax capture
3 revenues paid from the H.I.R.E. Michigan fund. However, if the
4 authorized business fails to maintain the requisite number of
5 certified new jobs as provided in the written agreement, the
6 authorized business will forfeit the withholding tax capture
7 revenues for that calendar year.

8 (i) The local governing body of the municipality in which the
9 facility is located approves the expansion or new location by
10 resolution.

11 (j) The eligible business provides detailed hiring and
12 training plans, including any registered apprenticeships or
13 certifications provided, and agrees to coordinate with local
14 workforce development agencies, including local Michigan Works!
15 agencies, to attract and train, if needed, a qualified workforce.
16 As used in this subdivision, "local Michigan Works! agency" means a
17 Michigan works agency as that term is defined in section 3 of the
18 Michigan works one-stop service center system act, 2006 PA 491, MCL
19 408.113.

20 (k) The fund is not prohibited from entering into a written
21 agreement with the applicant under this subdivision. All of the
22 following apply for purposes of the determination under this
23 subdivision:

24 (i) Each applicant shall submit with the application a
25 certified schedule listing all violations within the 3-year period
26 immediately preceding the date of application. The schedule must
27 include any information required by the fund to comply with this
28 subdivision. For any violation that is not a resolved violation,
29 the schedule must include an action plan on resolving the

1 violation.

2 (ii) If the schedule or other information available to the fund
3 indicates that an applicant has a violation that is not a resolved
4 violation, the fund shall not enter into a written agreement with
5 the applicant unless the applicant submits evidence, to the
6 satisfaction of the fund, that there is a sufficient action plan to
7 resolve the violation or the violation is in the process of being
8 resolved.

9 (iii) The fund shall not enter into a written agreement with the
10 applicant if the schedule or other information available to the
11 fund indicates that either of the following applies:

12 (A) In the 3-year period immediately preceding the date of
13 application, the applicant has been issued 5 or more notices of
14 violation of environmental regulations, or has an administrative
15 consent order or a consent judgment involving environmental
16 regulations that includes stipulated penalties, unless the
17 department of environment, Great Lakes, and energy finds the
18 applicant has made improvements in operations to come into
19 compliance with this state's environmental regulations, or other
20 demonstrated ability to comply with this state's environmental
21 regulations.

22 (B) In the 3-year period immediately preceding the date of
23 application, the applicant was subject to any of the following:

24 (I) A criminal penalty under section 35(4) or 35a(4) of the
25 Michigan occupational safety and health act, 1974 PA 154, MCL
26 408.1035 and 408.1035a, for a willful or repeated violation of the
27 Michigan occupational safety and health act, 1974 PA 154, MCL
28 408.1001 to 408.1094, an order issued under that act, or a rule or
29 standard promulgated under that act.

1 (II) A criminal conviction under section 35(5) or 35a(5) of
2 the Michigan occupational safety and health act, 1974 PA 154, MCL
3 408.1035 and 408.1035a, for a willful violation of the Michigan
4 occupational safety and health act, 1974 PA 154, MCL 408.1001 to
5 408.1094, an order issued under that act, or a rule or standard
6 promulgated under that act that causes the death of an employee.

7 (III) Inclusion in the Michigan occupational safety and health
8 administration's severe violator enforcement program.

9 (iv) As used in this subdivision:

10 (A) "Resolved violation" means a violation where the terms of
11 a settlement, consent agreement, conviction, decision, or other
12 final determination has been fully satisfied.

13 (B) "Violation" means a formal enforcement action issued by
14 this state, a political subdivision of this state, or the federal
15 government in response to a violation of environmental,
16 occupational safety, or public health regulations that has occurred
17 in this state, including, but not limited to, a violation notice,
18 enforcement notice, order to correct, licensing violation notice,
19 and stop work order.

20 (5) If the fund determines that the eligible business
21 satisfies all of the requirements of subsection (4), subject to
22 subsection (6), the fund shall determine the amount and duration of
23 the withholding tax capture revenues to be authorized under this
24 chapter and shall enter into a written agreement as provided in
25 this section. The duration of the withholding tax capture revenues
26 must not exceed 10 years, as determined by the fund under
27 subsection (6), from the date the authorized business creates the
28 certified new jobs as provided in the written agreement. Subject to
29 subsection (6), in determining the maximum amount and maximum

1 duration of the withholding tax capture revenues authorized, the
2 fund shall consider the following factors, if applicable:

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

4 (b) The degree to which the median annual wage of the
5 certified new jobs exceeds the prosperity region median wage.

6 (c) Whether there is a disadvantage to the eligible business
7 if it were to expand or locate in this state versus a site outside
8 this state.

9 (d) The potential impact of the expansion or location on the
10 economy of this state.

11 (e) The estimated cost of the reimbursement of withholding tax
12 capture revenues under this chapter, the staff, financial, or
13 economic assistance provided by the municipality, or local economic
14 development corporation or similar entity, and the value of
15 assistance otherwise provided by this state.

16 (f) Whether the expansion or location will occur in this state
17 without the payment of withholding tax capture revenues offered
18 under this chapter.

19 (g) Whether the eligible business has made a written
20 commitment to fund some portion of costs for applicable training of
21 the individuals who will perform the full-time jobs that leads to a
22 professional or technical certification for these individuals.

23 (h) Whether the expansion or location of the eligible business
24 will support or enable progress toward the following goals:

25 (i) Community enhancement or engagement opportunities.

26 (ii) Investing in this state's labor and workforce.

27 (iii) Enacting a workforce plan that includes recruitment,
28 hiring, training strategies, and advancement strategies for
29 employees.

1 (6) The fund shall determine the duration and amount of the
2 withholding tax capture revenues. In determining the duration of
3 the withholding tax capture revenues, the fund shall provide a
4 duration of up to 10 years, as determined by the fund. In
5 determining the amount of the withholding tax capture revenue
6 payments, the fund may approve a payment of up to 100% of the
7 withholding tax capture revenues.

8 (7) A written agreement between an eligible business and the
9 fund must include, but is not limited to, all of the following:

10 (a) A description of the business expansion or location that
11 is the subject of the written agreement.

12 (b) Subject to subsections (10) and (11), conditions on which
13 the authorized business designation is made.

14 (c) A statement from the eligible business that the eligible
15 business would not have added certified new jobs without the
16 withholding tax capture revenue payments authorized under this
17 chapter.

18 (d) An estimate of the amount of withholding tax capture
19 revenues expected to be generated for each calendar year of the
20 duration of the written agreement.

21 (e) A statement by the eligible business that a violation of
22 the written agreement may result in the revocation of the
23 designation as an authorized business, the loss or reduction of
24 future withholding tax capture revenue payments under this chapter,
25 or a repayment of withholding tax capture revenues received under
26 this chapter.

27 (f) A statement by the eligible business that a
28 misrepresentation in the application may result in the revocation
29 of the designation as an authorized business and the repayment of

1 withholding tax capture revenues received under this chapter plus a
2 penalty equal to 10% of the withholding tax capture revenue
3 payments received under this chapter.

4 (g) A method for measuring and verifying permanent, full-time
5 jobs before and after an expansion or location of an authorized
6 business in this state.

7 (h) A provision that the authorized business that is certified
8 under section 90v(2) for a payment from the H.I.R.E. Michigan fund
9 shall file the required returns and reports under this chapter and
10 chapter 17 of the income tax act of 1967, 1967 PA 281, MCL 206.701
11 to 206.715, with the department of treasury, and shall provide any
12 other information reasonably requested by the fund or the
13 department of treasury.

14 (i) A maximum amount of withholding tax capture revenues that
15 the authorized business may claim.

16 (j) A statement from the eligible business that it will not be
17 in material violation of any laws, ordinances, regulations, rules,
18 orders, judgments, decrees, or other requirements imposed by any
19 governmental authority to which it is subject.

20 (k) A provision that to maintain its designation as an
21 eligible business and its eligibility to receive withholding tax
22 capture revenue payments, the eligible business must not commit a
23 violation described in subsection (4)(k) and must annually certify
24 to the fund in the form and manner prescribed by the fund that the
25 eligible business has complied with this requirement.

26 (8) On execution of a written agreement as provided in this
27 chapter, an eligible business is an authorized business. The fund
28 shall provide a copy of each written agreement to the department of
29 treasury. On execution of the written agreement, the transfer and

1 payment of withholding tax capture revenues as specified in this
2 chapter and in the written agreement is binding on this state. The
3 state treasurer shall calculate, based on the written agreements
4 received under this subsection, the amount of withholding tax
5 capture revenues collected as a result of the certified new jobs
6 created pursuant to those written agreements for each calendar year
7 and the percentage of that amount that needs to be transferred from
8 the general fund and deposited, in accordance with section 51f of
9 the income tax act of 1967, 1967 PA 281, MCL 206.51f, into the
10 H.I.R.E. Michigan fund, from which the fund shall issue payments to
11 the authorized business in the manner provided in section 90v.

12 (9) Except as otherwise provided in this subsection, the fund
13 shall not commit an annual amount of total withholding tax capture
14 revenues that exceeds \$125,000,000.00. If the amount committed in a
15 calendar year is less than \$125,000,000.00, the difference between
16 that amount and \$125,000,000.00 is available to be committed in
17 subsequent calendar years and is in addition to the annual limit
18 otherwise applicable. The fund must allocate the annual amount
19 committed among multiple eligible businesses and must not commit
20 the entire amount to a single eligible business. For purposes of
21 this subsection, "total withholding tax capture revenues" means the
22 aggregate amount of withholding tax capture revenues that may be
23 distributed to authorized businesses under all written agreements.

24 (10) Except as otherwise provided in subsection (11), an
25 authorized business must meet 1 of the following timelines, as
26 applicable, or both the authorized business and the fund are
27 released from the written agreement:

28 (a) For an authorized business whose location or expansion in
29 this state requires construction, the following timeline:

1 (i) The authorized business must begin construction not later
2 than 3 years after the written agreement is executed.

3 (ii) The authorized business must complete its first hire of an
4 individual to fill a certified new job not later than 2 years after
5 the start of construction.

6 (iii) The authorized business must create the certified new jobs
7 as provided in the written agreement and begin receiving
8 withholding tax capture revenues not later than 3 years after its
9 first hire as described in subparagraph (ii).

10 (b) For an authorized business whose location or expansion in
11 this state does not require construction, the following timeline:

12 (i) The authorized business must complete its first hire of an
13 individual to fill a certified new job not later than 3 years after
14 the written agreement is executed.

15 (ii) The authorized business must create the certified new jobs
16 as provided in the written agreement and begin receiving
17 withholding tax capture revenues not later than 3 years after its
18 first hire as described in subparagraph (i).

19 (11) The fund shall notify an authorized business of an
20 applicable deadline under subsection (10) not less than 90 days
21 before the deadline. The fund may extend an applicable deadline
22 under subsection (10) for 1 year if the fund determines that the
23 authorized business has proceeded in good faith with the location
24 or expansion in this state and there is good cause for the
25 authorized business's delay in meeting the deadline. The fund may
26 request, and the authorized business shall provide, any information
27 the fund considers necessary to make the determination under this
28 subsection.

29 (12) The fund shall not designate an authorized business or

1 enter into a new written agreement on or after the date that is 8
2 years after the effective date of the amendatory act that added
3 this section.

4 Enacting section 1. This amendatory act does not take effect
5 unless Senate Bill No. 580 of the 102nd Legislature is enacted into
6 law.