

HOUSE BILL NO. 5414

January 30, 2024, Introduced by Reps. Martus, Filler, Hoskins and Farhat and referred to the Committee on Economic Development and Small Business.

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending sections 90i and 90j (MCL 125.2090i and 125.2090j), as added by 2017 PA 109.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 90i. (1) Subject to the limitations under section 90h(9),
2 an authorized business is eligible to receive withholding tax
3 capture revenue payments as provided in this chapter.

4 (2) Except as otherwise provided under subsection (3), the
5 fund shall issue a withholdings certificate each calendar year to

1 an authorized business that states the following:

2 (a) That the eligible business is an authorized business.

3 (b) The amount of withholding tax capture revenues to be paid
4 from the ~~good jobs for H.I.R.E.~~ Michigan fund for the designated
5 calendar year.

6 (c) The authorized business's federal employer identification
7 number or the Michigan treasury number assigned to the authorized
8 business.

9 (3) The fund shall provide the department of treasury with a
10 copy of each withholdings certificate issued under this section.
11 ~~Upon~~ **On** receipt of a withholdings certificate, an authorized
12 business may request a payment from the ~~good jobs for H.I.R.E.~~
13 Michigan fund by filing a copy of the withholdings certificate with
14 the fund. The fund shall issue the withholding tax capture revenue
15 payment from the ~~good jobs for H.I.R.E.~~ Michigan fund ~~within~~ **not**
16 **later than** 90 days ~~of~~ **after** receipt of the request for payment from
17 the authorized business.

18 (4) If the authorized business subsequently fails to satisfy
19 and maintain the minimum number of certified new jobs as required
20 under this chapter or any other conditions included in the written
21 agreement, the authorized business forfeits its withholding tax
22 capture revenue payment for the calendar year that the authorized
23 business fails to comply with this chapter or the written
24 agreement. The forfeiture of a withholding tax capture revenue
25 payment under this subsection does not extend the duration of the
26 original written agreement. Accordingly, if the duration of the
27 written agreement has not expired, an authorized business that
28 satisfies all of the terms of the written agreement after a
29 forfeiture under this subsection is entitled to certification for

1 withholding tax capture revenue payments for those subsequent
2 calendar years.

3 (5) In the event of a proposed reorganization, merger, or
4 other change of ownership of the authorized business for which
5 reimbursement will continue pursuant to a written agreement, the
6 approval of the fund is required ~~prior to~~ **before** the assignment or
7 transfer of the written agreement.

8 (6) The fund shall retain an amount equal to 5% of the
9 withholding tax capture revenue payments authorized for that year
10 for the fund. The board shall use the amount described in this
11 subsection to pay for the additional administration expenses under
12 this chapter **and to pay for the periodic evaluation of economic**
13 **development incentives under this chapter in compliance with the**
14 **economic development incentive evaluation act, 2018 PA 540, MCL**
15 **18.1751 to 18.1759.**

16 (7) As a condition of being an authorized business, an
17 authorized business authorizes the fund to identify the authorized
18 business and disclose the amount and duration of the withholding
19 tax capture revenue payments. The fund shall publish the
20 information described in this subsection on the fund's website and
21 include this information in the report required under section 9.

22 Sec. 90j. (1) The ~~good jobs for~~ **high-wage incentive for**
23 **regional employment in (H.I.R.E.)** Michigan fund is created within
24 the state treasury. The state treasurer may receive money or other
25 assets from any source for deposit into the fund. The state
26 treasurer shall direct the investment of the fund. The state
27 treasurer shall credit all amounts deposited pursuant to section
28 51f of the income tax act of 1967, 1967 PA 281, MCL 206.51f, to the
29 fund and shall credit to the fund any interest and earnings from

1 fund investments. Money in the fund at the close of the fiscal year
2 shall remain in the fund and shall not lapse to the general fund.

3 (2) The ~~good jobs for H.I.R.E.~~ Michigan fund may be used only
4 for 1 or more of the following purposes:

5 (a) To make withholding tax capture revenue payments in
6 accordance with a written agreement to an authorized business
7 within 90 days after receipt of a request for payment and a copy of
8 the withholding certificate issued under section 90i.

9 (b) To distribute an amount equal to 5% of the withholding tax
10 capture revenue payments certified under section 90i to the
11 Michigan strategic fund to pay for administration expenses **and to**
12 **pay for the periodic evaluation of economic development incentives**
13 **under this chapter in compliance with the economic development**
14 **incentive evaluation act, 2018 PA 540, MCL 18.1751 to 18.1759.**

15 Enacting section 1. This amendatory act does not take effect
16 unless House Bill No. 5413 (request no. H02122'23 *) of the 102nd
17 Legislature is enacted into law.