

# SENATE BILL NO. 579

October 11, 2023, Introduced by Senators SINGH and CAVANAGH and referred to the Committee on Economic and Community Development.

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending sections 9, 90g, and 90h (MCL 125.2009, 125.2090g, and 125.2090h), section 9 as amended by 2021 PA 136 and sections 90g and 90h as added by 2017 PA 109.

**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

1 report ~~shall~~**must** be transmitted not later than April 10 of each  
2 year for activities in the immediately preceding state fiscal year.  
3 The report ~~shall~~**must** not include information exempt from  
4 disclosure under section 5. The report ~~shall~~**must** include, but is  
5 not limited to, all of the following for each program operated  
6 under this act:

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

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

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

10 (d) For each separate form of financial assistance, all of the  
11 following:

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

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

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

18 (iv) The actual number of retained jobs that are not temporary  
19 employees.

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

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

24 (e) The duration of the financial assistance.

25 (f) The amount of financial support other than state  
26 resources.

27 (g) Money or other revenue or property returned to the fund,  
28 including any repayments through a clawback provision in the  
29 agreement.

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

2 (i) A list of all entities that are in bankruptcy, ~~that of~~  
3 **which** the fund has received actual notice, ~~of,~~ filed by a direct  
4 recipient of an active single incentive of at least \$500,000.00. In  
5 addition, the fund shall, within 120 days after the fund receives  
6 notice, provide a report of the notice of bankruptcy on its website  
7 and shall forward the report to each of the following:

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

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

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

11 (iv) The members of the house appropriations subcommittee on  
12 general government.

13 (v) The members of the senate economic and small business  
14 development committee.

15 (vi) The members of the senate appropriations subcommittee on  
16 general government.

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

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

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

28 (3) The fund shall also transmit the audit described in  
29 subsection (2) to the chairperson and minority vice-chairperson of

1 the senate appropriations subcommittee on general government and  
2 the house of representatives appropriations subcommittee on general  
3 government. The fund shall make the report and audit available to  
4 the public on the fund's website.

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

8 (a) The amount of qualified venture capital fund investments,  
9 qualified mezzanine fund investments, and qualified private equity  
10 fund investments under management in this state, including year-to-  
11 year growth.

12 (b) The value of loan enhancement program investments,  
13 qualified private equity fund investments, qualified mezzanine fund  
14 investments, and qualified venture capital investments in qualified  
15 businesses, including year-to-year growth.

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

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

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

24 (b) The total actual number of new jobs created under section  
25 88r as reported to the fund.

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

29 (d) For each qualified business, whether it is a new business,

1 whether it is an expansion of an existing business, or whether it  
2 relocated from outside of this state.

3 (e) An evaluation of the aggregate return on investment that  
4 this state realizes on the actual qualified new jobs and actual  
5 qualified investment made by qualified businesses.

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

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

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

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

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

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

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

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

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

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

27 (c) The total actual amount of square footage revitalized or  
28 added for each project approved under section 90d as reported to  
29 the fund. When reporting square footage, the person must report the

1 square footage by category, including, but not limited to,  
2 commercial, residential, or retail.

3 (d) The aggregate increase in taxable value of all property  
4 subject to a written agreement under chapter 8C when established  
5 and recorded by the local units of government and as reported to  
6 the fund.

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

10 (f) Each project that received a community revitalization  
11 incentive outside the fund program standards and guidelines and why  
12 the variance was given.

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

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

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

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

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

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

1 (a) Section 88b.

2 (b) Section 88h.

3 (c) Section 90b.

4 (10) The report described in subsection (1) must also include,  
5 but is not limited to, all of the following for all actions for  
6 business incubators approved by the fund after January 14, 2015:

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

9 (b) Amounts of other funds leveraged by current clients of the  
10 business incubator.

11 (c) Increases in revenue for current clients of the business  
12 incubator.

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

17 (a) Section 78.

18 (b) Section 88d.

19 (c) Section 88k.

20 (d) Section 88q.

21 (e) Section 88r.

22 (f) Section 90b.

23 (12) Beginning on July 1, 2015, the fund shall post on the  
24 fund's website a list of each contract, agreement, or other written  
25 loan or grant documentation for financial assistance under sections  
26 88r and 90b that the fund entered into or modified in the  
27 immediately preceding fiscal year.

28 (13) Beginning on July 1, 2015, the fund shall post and update  
29 periodically all of the following on its website for all loans made

1 under sections 88r and 90b:

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

3 (b) The total amount of the loan.

4 (c) Whether payments on the loan balance are current or  
5 delinquent.

6 (d) The interest rate of the loan.

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

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

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

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

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

17 (16) The report described in subsection (1) must also include,  
18 but is not limited to, all of the following for all written  
19 agreements related to the ~~good jobs for Michigan~~ **strategic tax**  
20 **capture** program created under chapter 8D:

21 (a) The name of the authorized business.

22 (b) The number of certified new jobs required to be  
23 maintained.

24 (c) The amount and duration of the withholding tax capture  
25 revenues.

26 (17) The report described in subsection (1) must also include  
27 the activities of the critical industry program described in  
28 section 88s.

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



1 the activities of the Michigan strategic site readiness program  
2 described in section 88t.

3 (19) As used in this section, "financial assistance" means  
4 grants, loans, other economic assistance, and any other incentives  
5 or assistance under this act.

6 Sec. 90g. As used in this chapter:

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

12 (b) "Casino" means a casino regulated by this state under the  
13 Michigan ~~gaming control and revenue act,~~ **Gaming Control and Revenue**  
14 **Act**, 1996 IL 1, MCL 432.201 to 432.226, a casino at which gaming is  
15 conducted under the Indian gaming regulatory act, Public Law 100-  
16 497, ~~102 Stat 2467,~~ or property associated or affiliated with the  
17 operation of either type of casino described in this subdivision,  
18 including, but not limited to, a parking lot, hotel, or motel.

19 (c) "Certified new job" means a **permanent**, full-time job  
20 created by an authorized business at a facility in this state that  
21 is in excess of the number of **permanent**, full-time jobs that  
22 authorized business maintained in this state ~~prior to~~ **before** the  
23 expansion or location and the number of **permanent**, full-time jobs  
24 that the authorized business acquired through a merger or  
25 acquisition that were located in this state ~~prior to~~ **before** the  
26 expansion or location, as determined by the fund. ~~Pursuant to a~~  
27 ~~written agreement between the authorized business, the fund, and~~  
28 ~~the primary supplier, certified new jobs for an authorized business~~  
29 ~~described in subdivision (d) (i) may, as determined by the fund,~~

1 ~~include the number of those new jobs created by the primary~~  
 2 ~~supplier of that authorized business as a result of the new or~~  
 3 ~~increased business activity with that authorized business as~~  
 4 ~~determined by the fund.~~

5 (d) "Eligible business" means a business other than a retail  
 6 establishment, professional sports stadium, casino, or that portion  
 7 of an eligible business used exclusively for retail sales that  
 8 proposes to create 1 or more of the following:

9 ~~(i) A minimum of 3,000 certified new jobs in this state with an~~  
 10 ~~average annual wage that is equal to or greater than the prosperity~~  
 11 ~~region average wage.~~

12 ~~(ii) A minimum of 500 certified new jobs in this state with an~~  
 13 ~~average annual wage that is equal to or greater than the prosperity~~  
 14 ~~region average wage.~~

15 (i) ~~(iii)~~ A minimum of 250 certified new jobs in this state with  
 16 ~~an average~~ **a median** annual wage that is equal to ~~125%~~ **150%** or more  
 17 of the prosperity region ~~average~~ **median** wage.

18 **(ii) A minimum of 50 certified new jobs in this state with a**  
 19 **median annual wage that is equal to 175% or more of the prosperity**  
 20 **region median wage.**

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

23 (f) "Full-time job" means a full-time job as determined by the  
 24 fund performed by an individual whose income and social security  
 25 taxes are withheld by 1 or more of the following:

26 (i) An authorized business.

27 (ii) An employee leasing company.

28 (iii) A professional employer organization on behalf of the  
 29 authorized business.

1 (g) ~~"Good jobs for Michigan"~~ **"Michigan strategic tax capture**  
 2 **fund"** means the ~~good jobs for Michigan~~ **strategic tax capture** fund  
 3 created in section 90j.

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

5 ~~(i) "Primary supplier" means an entity that creates not fewer~~  
 6 ~~than 25 new jobs in this state and that provides both of the~~  
 7 ~~following to an authorized business pursuant to a written agreement~~  
 8 ~~under this chapter:~~

9 ~~(i) A minimum of \$5,000,000.00 in tangible personal property~~  
 10 ~~annually as determined by the fund.~~

11 ~~(ii) A minimum of 10% of the tangible personal property used by~~  
 12 ~~the authorized business annually as determined by the fund.~~

13 (i) ~~(j)~~ "Prosperity region" means each of the 10 prosperity  
 14 regions identified by the department of technology, management, and  
 15 budget on ~~the effective date of the amendatory act that added this~~  
 16 ~~section.~~ **August 25, 2017.**

17 (j) ~~(k)~~ "Prosperity region average ~~median~~ wage" means the  
 18 average ~~median~~ annual wage for the prosperity region where the  
 19 facility is located based on the most recent data made available by  
 20 the Michigan bureau of labor market information and strategic  
 21 initiatives.

22 (k) ~~(l)~~ "Withholding tax capture revenues" means the amount of  
 23 income tax withheld under ~~part 3~~ **chapter 17** of the income tax act  
 24 of 1967, 1967 PA 281, MCL 206.701 to ~~206.713,~~ **206.715**, each  
 25 calendar year that is attributable to individuals employed within  
 26 certified new jobs. The state treasurer shall develop methods and  
 27 processes that are necessary for each authorized business to report  
 28 the amount of withholding under ~~part 3~~ **chapter 17** of the income tax  
 29 act of 1967, 1967 PA 281, MCL 206.701 to ~~206.713,~~ **206.715**, from

1 individuals employed within certified new jobs.

2 (l) ~~(m)~~ "Written agreement" means a written agreement made  
3 between the eligible business and the fund ~~pursuant to~~ **under** this  
4 chapter.

5 Sec. 90h. (1) The fund shall create and operate the ~~good jobs~~  
6 ~~for~~ Michigan **strategic tax capture** program to authorize the  
7 transfer of the dedicated portion of withholding tax capture  
8 revenues to authorized businesses that provide certified new jobs  
9 in this state. The fund shall develop and use a detailed  
10 application, approval, and compliance process published and  
11 available on the fund's website.

12 (2) An eligible business may apply to the fund to enter into a  
13 written agreement ~~which~~ **that** authorizes the payment of withholding  
14 tax capture revenues under this chapter.

15 (3) The fund may request information, in addition to that  
16 contained in an application, ~~as may be~~ **if** needed to permit the fund  
17 to discharge its responsibilities under this chapter.

18 (4) After receipt of an application, the fund may enter into  
19 an agreement with an eligible business for withholding tax capture  
20 revenues under this chapter if the fund determines that all of the  
21 following are met:

22 (a) The eligible business proposes to create and maintain the  
23 minimum number of certified new jobs at a facility in this state  
24 and to pay an ~~average~~ annual wage that is described in section  
25 90g(d).

26 (b) In addition to the jobs specified in subdivision (a), the  
27 eligible business, if already located within this state, agrees to  
28 maintain a number of full-time jobs equal to or greater than the  
29 number of full-time jobs it maintained in this state ~~prior to~~

1 **before** the expansion, as determined by the fund.

2 (c) The plans for the expansion or location are economically  
3 sound.

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

7 (e) The withholding tax capture revenues offered under this  
8 chapter and paid from the ~~good jobs for Michigan~~ **strategic tax**  
9 **capture** fund is an incentive to expand or locate the eligible  
10 business in this state and address ~~the competitive disadvantages~~  
11 ~~with sites outside this state.~~ **a need for additional assistance for**  
12 **deal closing and second stage company gap financing.**

13 (f) An industry-recognized regional economic model cost-  
14 benefit analysis reveals that the payment of withholding tax  
15 capture revenues under this chapter to an eligible business will  
16 result in an overall positive fiscal impact to ~~the~~ **this** state.

17 (g) The eligible business will create the requisite number of  
18 certified new jobs within not more than 5 years after entering into  
19 the written agreement as determined by the fund.

20 (h) The eligible business will maintain the number of  
21 certified new jobs throughout the duration of the period of time  
22 that the authorized business receives withholding tax capture  
23 revenues paid from the ~~good jobs for Michigan~~ **strategic tax capture**  
24 fund. However, if the authorized business fails to maintain the  
25 requisite number of certified new jobs as provided in the written  
26 agreement, the authorized business will forfeit the withholding tax  
27 capture revenues for that calendar year.

28 (i) ~~That the~~ **The** local governing body of the municipality in  
29 which the facility is located approves the expansion or new

1 location by resolution.

2 (j) **The eligible business provides detailed hiring and**  
3 **training plans, including any registered apprenticeships or**  
4 **certifications provided, and agrees to coordinate with local**  
5 **workforce development agencies, including local Michigan Works!**  
6 **agencies, to attract and train, if needed, a qualified workforce.**  
7 **As used in this subdivision, "local Michigan Works! agency" means a**  
8 **Michigan works agency as that term is defined in section 3 of the**  
9 **Michigan works one-stop service center system act, 2006 PA 491, MCL**  
10 **408.113.**

11 (5) If the fund determines that the eligible business  
12 satisfies all of the requirements of subsection (4), subject to  
13 subsection (6), the fund shall determine the amount and duration of  
14 the withholding tax capture revenues to be authorized under this  
15 chapter and shall enter into a written agreement as provided in  
16 this section. The duration of the withholding tax capture revenues  
17 must not exceed 5 or 10 years, whichever is applicable ~~based on the~~  
18 ~~average annual wage of the certified new jobs,~~ **as determined by the**  
19 **fund under subsection (6)**, from the date the authorized business  
20 creates the certified new jobs as provided in the written  
21 agreement. Subject to subsection (6), in determining the maximum  
22 amount and maximum duration of the withholding tax capture revenues  
23 authorized, the fund shall consider the following factors, if  
24 applicable:

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

26 (b) The degree to which the ~~average~~ **median** annual wage of the  
27 certified new jobs exceeds the prosperity region ~~average~~ **median**  
28 wage.

29 (c) Whether there is a disadvantage to the eligible business

1 if it were to expand or locate in this state versus a site outside  
2 this state.

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

5 (e) The estimated cost of the reimbursement of withholding tax  
6 capture revenues under this chapter, the staff, financial, or  
7 economic assistance provided by the municipality, or local economic  
8 development corporation or similar entity, and the value of  
9 assistance otherwise provided by this state.

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

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

17 ~~(h) That the eligible business will make a good faith effort~~  
18 ~~to employ, if qualified, Michigan residents at the facility.~~**Whether**  
19 **the expansion or location of the eligible business will support or**  
20 **enable progress toward the following 4 core policy priorities for**  
21 **community benefit plans as defined by guidelines issued under the**  
22 **Justice40 initiative:**

23 (i) Engaging communities and labor.

24 (ii) Investing in this state's workforce.

25 (iii) Advancing diversity, equity, inclusion, and accessibility.

26 (iv) Implementing the Justice40 initiative of benefiting this  
27 state's disadvantaged communities. As used in this subdivision,  
28 "Justice40 initiative" means the Justice40 initiative described in  
29 federal Executive Order No. 14008, 86 Fed Reg 7619 (January 27,

1 2021).

2 (i) **Whether the eligible business will honor a decision by its**  
 3 **workers to form a union and will commit not to interfere in**  
 4 **unionization efforts.**

5 (6) The fund shall determine the duration and amount of the  
 6 withholding tax capture revenues. In determining the duration of  
 7 the withholding tax capture revenues, the fund shall provide a  
 8 duration of up to 5 years ~~for eligible businesses described in~~  
 9 ~~section 90g(d) (ii) and up to a duration of~~ **or** 10 years, ~~for eligible~~  
 10 ~~businesses described in section 90g(d) (i) or (iii).~~ **as determined by**  
 11 **the fund.** In determining the amount of the withholding tax capture  
 12 revenue payments, the fund may approve a payment of ~~not more than~~  
 13 ~~50% of the withholding tax capture revenues for an eligible~~  
 14 ~~business described in section 90g(d) (ii) and a payment of up to 100%~~  
 15 ~~of the withholding tax capture revenues. for an eligible business~~  
 16 ~~described in section 90g(d) (i) or (iii).~~ The amount of withholding  
 17 tax capture revenues certified to be paid to an authorized business  
 18 shall be reduced by 5%, which shall be retained by the fund for  
 19 additional administrative expenses under this chapter **and for the**  
 20 **periodic evaluation of economic development incentives under this**  
 21 **chapter in compliance with the economic development incentive**  
 22 **evaluation act, 2018 PA 540, MCL 18.1751 to 18.1759,** as provided  
 23 under section 90i.

24 (7) A written agreement between an eligible business and the  
 25 fund must include, but ~~need-is~~ **is** not ~~be~~ limited to, all of the  
 26 following:

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

29 (b) ~~Conditions upon~~ **Subject to subsections (10) and (11),**



1 **conditions on** which the authorized business designation is made.

2 (c) A statement from the eligible business that the eligible  
3 business would not have added certified new jobs without the  
4 withholding tax capture revenue payments authorized under this  
5 chapter.

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

9 (e) A statement by the eligible business that a violation of  
10 the written agreement may result in the revocation of the  
11 designation as an authorized business, the loss or reduction of  
12 future withholding tax capture revenue payments under this chapter,  
13 or a repayment of withholding tax capture revenues received  
14 ~~pursuant to~~ **under** this chapter.

15 (f) A statement by the eligible business that a  
16 misrepresentation in the application may result in the revocation  
17 of the designation as an authorized business and the repayment of  
18 withholding tax capture revenues received under this chapter plus a  
19 penalty equal to 10% of the withholding tax capture revenue  
20 payments received ~~pursuant to~~ **under** this chapter.

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

24 (h) A provision that the authorized business that is certified  
25 under section 90i(2) for a payment from the ~~good jobs for Michigan~~  
26 **strategic tax capture** fund shall file the required returns and  
27 reports under this chapter and ~~part 3~~ **chapter 17** of the income tax  
28 act of 1967, 1967 PA 281, MCL 206.701 to ~~206.713,~~ **206.715**, with the  
29 department of treasury, and shall provide any other information

1 reasonably requested by the fund or the department of treasury.

2 (i) A maximum amount of withholding tax capture revenues that  
 3 the authorized business may claim before reduction of the 5%  
 4 payment described in section 90i for administrative expenses **and**  
 5 **for the periodic evaluation of economic development incentives**  
 6 **under this chapter in compliance with the economic development**  
 7 **incentive evaluation act, 2018 PA 540, MCL 18.1751 to 18.1759.**

8 (8) ~~Upon~~**On** execution of a written agreement as provided in  
 9 this chapter, an eligible business is an authorized business. The  
 10 fund shall provide a copy of each written agreement to the  
 11 department of treasury. ~~Upon~~**On** execution of the written agreement,  
 12 the transfer and payment of withholding tax capture revenues as  
 13 specified in this chapter and in the written agreement is binding  
 14 on this state. The state treasurer shall calculate, based on the  
 15 written agreements received ~~pursuant to~~**under** this subsection, the  
 16 amount of withholding tax capture revenues collected as a result of  
 17 the certified new jobs created pursuant to those written agreements  
 18 for each calendar year and the percentage of that amount that needs  
 19 to be transferred from the general fund and deposited, in  
 20 accordance with section 51f of the income tax act of 1967, 1967 PA  
 21 281, MCL 206.51f, into the ~~good jobs for Michigan~~ **strategic tax**  
 22 **capture fund, where from which** the fund shall issue payments to the  
 23 authorized business in the manner provided in section 90i.

24 (9) The fund shall not commit, and the department of treasury  
 25 shall not disburse, an **annual** amount of total withholding tax  
 26 capture revenues that exceeds ~~\$200,000,000.00,~~ **\$100,000,000.00,**  
 27 which includes the 5% payment for administrative expenses **and the**  
 28 **periodic evaluation of economic development incentives** as provided  
 29 in section 90i. ~~The fund shall not execute more than 15 new written~~

1 ~~agreements each calendar year for authorized businesses. If the~~  
 2 ~~fund approves fewer than 15 written agreements in a calendar year,~~  
 3 ~~then any unused written agreements shall carry forward into future~~  
 4 ~~calendar years, and shall be in addition to the annual limit that~~  
 5 ~~is otherwise applicable. For purposes of this subsection, "total~~  
 6 ~~withholding tax capture revenues" means the aggregate amount of~~  
 7 ~~withholding tax capture revenues that may be distributed to~~  
 8 ~~authorized businesses under all written agreements.~~

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

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

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

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

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

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

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

29       **(ii) The authorized business must create the certified new jobs**

1 as provided in the written agreement and begin receiving  
2 withholding tax capture revenues not later than 3 years after its  
3 first hire as described in subparagraph (i).

4 (11) The fund shall notify an authorized business of an  
5 applicable deadline under subsection (10) not less than 90 days  
6 before the deadline. The fund may extend an applicable deadline  
7 under subsection (10) for 1 year if the fund determines that the  
8 authorized business has proceeded in good faith with the location  
9 or expansion in this state and there is good cause for the  
10 authorized business's delay in meeting the deadline. The fund may  
11 request, and the authorized business shall provide, any information  
12 the fund considers necessary to make the determination under this  
13 subsection.

14 (12) ~~(10)~~The fund shall not designate an authorized business  
15 or enter into a new written agreement on or after ~~December 31,~~  
16 ~~2019~~the date that is 5 years after the effective date of the  
17 amendatory act that added subsection (13).

18 (13) The provisions of the amendatory act that added this  
19 subsection do not apply to a written agreement executed before the  
20 effective date of the amendatory act that added this subsection.

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