

**SUBSTITUTE FOR
SENATE BILL NO. 242**

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 9 (MCL 125.2009), as amended by 2014 PA 503,
and by adding chapter 8D.

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

- 1 (a) A list of entities that received financial assistance.
- 2 (b) The type of project or product being financed.
- 3 (c) The amount and type of financial assistance.
- 4 (d) For each separate form of financial assistance, all of the
5 following:
- 6 (i) The number of new jobs committed or projected when the
7 financial assistance was applied for.
- 8 (ii) The number of retained jobs committed or projected when
9 the financial assistance was applied for.
- 10 (iii) The actual number of new jobs created that are not
11 temporary employees.
- 12 (iv) The actual number of retained jobs that are not temporary
13 employees.
- 14 (v) The average annual salary of the new jobs created that are
15 not temporary employees.
- 16 (vi) The average annual salary of the retained jobs that are
17 not temporary employees.
- 18 (e) The duration of the financial assistance.
- 19 (f) The amount of financial support other than state
20 resources.
- 21 (g) Money or other revenue or property returned to the fund,
22 including any repayments through a clawback provision in the
23 agreement.
- 24 (h) The status of all loans of the fund.
- 25 (i) A list of all entities that are in bankruptcy, that the
26 fund has received actual notice of, filed by a direct recipient of
27 an active single incentive of at least \$500,000.00. In addition,

1 the fund shall, within 120 days after the fund receives notice,
2 provide a report of the notice of bankruptcy on its website and
3 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 committee.

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

9 (v) The members of the senate economic development committee.

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

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

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

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

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

1 the public on the fund's website.

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

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

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

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

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

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

21 (b) The total actual number of new jobs created under section
22 88r as reported to the fund.

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

26 (d) For each qualified business, whether it is a new business,
27 whether it is an expansion of an existing business, or whether it

1 relocated from outside of this state.

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

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

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

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

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

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

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

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

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

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

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

26 (c) The total actual amount of square footage revitalized or
27 added for each project approved under section 90d as reported to

1 the fund. When reporting square footage, the person must report the
2 square footage by category, including, but not limited to,
3 commercial, residential, or retail.

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

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

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

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

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

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

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

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

1 (9) The report described in subsection (1) shall also include
2 a summary of the approximate administrative costs used to
3 administer the programs and activities authorized in the following
4 sections:

5 (a) Section 88b.

6 (b) Section 88h.

7 (c) Section 90b.

8 (10) The report described in subsection (1) shall also
9 include, but is not limited to, all of the following for all
10 actions for business incubators approved by the fund after ~~the~~
11 ~~effective date of the amendatory act that added this~~
12 ~~subsection~~: **JANUARY 14, 2015:**

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

15 (b) Amounts of other funds leveraged by current clients of the
16 business incubator.

17 (c) Increases in revenue for current clients of the business
18 incubator.

19 (11) The report described in subsection (1) shall also include
20 the actual repayments received by the fund for failure to comply
21 with clawback provisions of the written agreement under all of the
22 following:

23 (a) Section 78.

24 (b) Section 88d.

25 (c) Section 88k.

26 (d) Section 88q.

27 (e) Section 88r.

1 (f) Section 90b.

2 (12) Beginning on July 1, 2015, the fund shall post on the
3 fund's website a list of each contract, agreement, or other written
4 loan or grant documentation for financial assistance under sections
5 88r and 90b that the fund entered into or modified in the
6 immediately preceding fiscal year.

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

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

11 (b) The total amount of the loan.

12 (c) Whether payments on the loan balance are current or
13 delinquent.

14 (d) The interest rate of the loan.

15 (14) Beginning July 1, 2015, the report described in
16 subsection (1) shall also contain all of the following for each
17 program that provides financial assistance under this act that
18 requires a site visit:

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

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

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

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

25 **(16) THE REPORT DESCRIBED IN SUBSECTION (1) MUST ALSO INCLUDE,**
26 **BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING FOR ALL WRITTEN**
27 **AGREEMENTS RELATED TO THE GOOD JOBS FOR MICHIGAN PROGRAM CREATED**

1 UNDER CHAPTER 8D:

2 (A) THE NAME OF THE AUTHORIZED BUSINESS.

3 (B) THE NUMBER OF CERTIFIED NEW JOBS REQUIRED TO BE
4 MAINTAINED.

5 (C) THE AMOUNT AND DURATION OF THE WITHHOLDING TAX CAPTURE
6 REVENUES.

7 (17) ~~(16)~~As used in this section, "financial assistance"
8 means grants, loans, other economic assistance, and any other
9 incentives or assistance under this act.

10 CHAPTER 8D

11 SEC. 90G. AS USED IN THIS CHAPTER:

12 (A) "AUTHORIZED BUSINESS" MEANS AN ELIGIBLE BUSINESS THAT HAS
13 MET THE REQUIREMENTS OF THIS CHAPTER AND WITH WHICH THE FUND HAS
14 ENTERED INTO A WRITTEN AGREEMENT FOR WITHHOLDING TAX CAPTURE
15 REVENUES PURSUANT TO THIS CHAPTER AND SECTION 51F OF THE INCOME TAX
16 ACT OF 1967, 1967 PA 281, MCL 206.51F.

17 (B) "CASINO" MEANS A CASINO REGULATED BY THIS STATE UNDER THE
18 MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.201 TO
19 432.226, A CASINO AT WHICH GAMING IS CONDUCTED UNDER THE INDIAN
20 GAMING REGULATORY ACT, PUBLIC LAW 100-497, 102 STAT 2467, OR
21 PROPERTY ASSOCIATED OR AFFILIATED WITH THE OPERATION OF EITHER TYPE
22 OF CASINO DESCRIBED IN THIS SUBDIVISION, INCLUDING, BUT NOT LIMITED
23 TO, A PARKING LOT, HOTEL, OR MOTEL.

24 (C) "CERTIFIED NEW JOB" MEANS A FULL-TIME JOB CREATED BY AN
25 AUTHORIZED BUSINESS AT A FACILITY IN THIS STATE THAT IS IN EXCESS
26 OF THE NUMBER OF FULL-TIME JOBS THAT AUTHORIZED BUSINESS MAINTAINED
27 IN THIS STATE PRIOR TO THE EXPANSION OR LOCATION, AS DETERMINED BY

1 THE FUND.

2 (D) "ELIGIBLE BUSINESS" MEANS A BUSINESS THAT PROPOSES TO
3 CREATE A MINIMUM OF 500 CERTIFIED NEW JOBS IN THIS STATE WITH AN
4 AVERAGE ANNUAL WAGE THAT IS EQUAL TO OR GREATER THAN THE PROSPERITY
5 REGION AVERAGE WAGE OR, IF THE BUSINESS PROPOSES TO PAY AN AVERAGE
6 ANNUAL WAGE THAT IS EQUAL TO 125% OR MORE OF THE PROSPERITY REGION
7 AVERAGE WAGE, 250 CERTIFIED NEW JOBS. AN ELIGIBLE BUSINESS DOES NOT
8 INCLUDE RETAIL ESTABLISHMENTS, PROFESSIONAL SPORTS STADIUMS,
9 CASINOS, OR THAT PORTION OF AN ELIGIBLE BUSINESS USED EXCLUSIVELY
10 FOR RETAIL SALES.

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) "GOOD JOBS FOR MICHIGAN FUND" MEANS THE GOOD JOBS FOR
21 MICHIGAN FUND CREATED IN SECTION 90J.

22 (H) "MUNICIPALITY" MEANS THAT TERM AS DEFINED IN SECTION 4.

23 (I) "PROSPERITY REGION" MEANS EACH OF THE 10 PROSPERITY
24 REGIONS IDENTIFIED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND
25 BUDGET ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
26 SECTION.

27 (J) "PROSPERITY REGION AVERAGE WAGE" MEANS THE AVERAGE ANNUAL

1 WAGE FOR THE PROSPERITY REGION WHERE THE FACILITY IS LOCATED BASED
2 ON THE MOST RECENT DATA MADE AVAILABLE BY THE MICHIGAN BUREAU OF
3 LABOR MARKET INFORMATION AND STRATEGIC INITIATIVES.

4 (K) "WITHHOLDING TAX CAPTURE REVENUES" MEANS THE AMOUNT OF
5 INCOME TAX WITHHELD UNDER PART 3 OF THE INCOME TAX ACT OF 1967,
6 1967 PA 281, MCL 206.701 TO 206.713, EACH CALENDAR YEAR THAT IS
7 ATTRIBUTABLE TO INDIVIDUALS EMPLOYED WITHIN CERTIFIED NEW JOBS. THE
8 STATE TREASURER SHALL DEVELOP METHODS AND PROCESSES THAT ARE
9 NECESSARY FOR EACH AUTHORIZED BUSINESS TO REPORT THE AMOUNT OF
10 WITHHOLDING UNDER PART 3 OF THE INCOME TAX ACT OF 1967, 1967 PA
11 281, MCL 206.701 TO 206.713, FROM INDIVIDUALS EMPLOYED WITHIN
12 CERTIFIED NEW JOBS.

13 (I) "WRITTEN AGREEMENT" MEANS A WRITTEN AGREEMENT MADE BETWEEN
14 THE ELIGIBLE BUSINESS AND THE FUND PURSUANT TO THIS CHAPTER.

15 SEC. 90H. (1) THE FUND SHALL CREATE AND OPERATE THE GOOD JOBS
16 FOR MICHIGAN PROGRAM TO AUTHORIZE THE TRANSFER OF THE DEDICATED
17 PORTION OF WITHHOLDING TAX CAPTURE REVENUES TO AUTHORIZED
18 BUSINESSES THAT PROVIDE CERTIFIED NEW JOBS IN THIS STATE. THE FUND
19 SHALL DEVELOP AND USE A DETAILED APPLICATION, APPROVAL, AND
20 COMPLIANCE PROCESS PUBLISHED AND AVAILABLE ON THE FUND'S WEBSITE.

21 (2) AN ELIGIBLE BUSINESS MAY APPLY TO THE FUND TO ENTER INTO A
22 WRITTEN AGREEMENT WHICH AUTHORIZES THE PAYMENT OF WITHHOLDING TAX
23 CAPTURE REVENUES UNDER THIS CHAPTER.

24 (3) THE FUND MAY REQUEST INFORMATION, IN ADDITION TO THAT
25 CONTAINED IN AN APPLICATION, AS MAY BE NEEDED TO PERMIT THE FUND TO
26 DISCHARGE ITS RESPONSIBILITIES UNDER THIS CHAPTER.

27 (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 A
5 MINIMUM OF 500 CERTIFIED NEW JOBS AT A FACILITY IN THIS STATE WITH
6 AN AVERAGE ANNUAL WAGE THAT IS EQUAL TO OR GREATER THAN THE
7 PROSPERITY REGION AVERAGE WAGE OR, IF THE BUSINESS PROPOSES TO PAY
8 AN AVERAGE ANNUAL WAGE THAT IS EQUAL TO 125% OR MORE OF THE
9 PROSPERITY REGION AVERAGE WAGE, 250 CERTIFIED NEW JOBS.

10 (B) IN ADDITION TO THE JOBS SPECIFIED IN SUBDIVISION (A), THE
11 ELIGIBLE BUSINESS, IF ALREADY LOCATED WITHIN THIS STATE, AGREES TO
12 MAINTAIN A NUMBER OF FULL-TIME JOBS EQUAL TO OR GREATER THAN THE
13 NUMBER OF FULL-TIME JOBS IT MAINTAINED IN THIS STATE PRIOR TO THE
14 EXPANSION, AS DETERMINED BY THE FUND.

15 (C) THE PLANS FOR THE EXPANSION OR LOCATION ARE ECONOMICALLY
16 SOUND.

17 (D) THE EXPANSION OR LOCATION OF THE ELIGIBLE BUSINESS WILL
18 BENEFIT THE PEOPLE OF THIS STATE BY INCREASING OPPORTUNITIES FOR
19 EMPLOYMENT AND BY STRENGTHENING THE ECONOMY OF THIS STATE.

20 (E) THE WITHHOLDING TAX CAPTURE REVENUES OFFERED UNDER THIS
21 CHAPTER AND PAID FROM THE GOOD JOBS FOR MICHIGAN FUND IS AN
22 INCENTIVE TO EXPAND OR LOCATE THE ELIGIBLE BUSINESS IN THIS STATE
23 AND ADDRESS THE COMPETITIVE DISADVANTAGES WITH SITES OUTSIDE THIS
24 STATE.

25 (F) AN INDUSTRY-RECOGNIZED REGIONAL ECONOMIC MODEL COST-
26 BENEFIT ANALYSIS REVEALS THAT THE PAYMENT OF WITHHOLDING TAX
27 CAPTURE REVENUES UNDER THIS CHAPTER TO AN ELIGIBLE BUSINESS WILL

1 RESULT IN AN OVERALL POSITIVE FISCAL IMPACT TO THE STATE.

2 (G) THE ELIGIBLE BUSINESS WILL CREATE THE REQUISITE NUMBER OF
3 CERTIFIED NEW JOBS WITHIN NOT MORE THAN 5 YEARS AFTER ENTERING INTO
4 THE WRITTEN AGREEMENT AS DETERMINED BY THE FUND.

5 (H) THE ELIGIBLE BUSINESS WILL MAINTAIN THE NUMBER OF
6 CERTIFIED NEW JOBS THROUGHOUT THE DURATION OF THE PERIOD OF TIME
7 THAT THE AUTHORIZED BUSINESS RECEIVES WITHHOLDING TAX CAPTURE
8 REVENUES PAID FROM THE GOOD JOBS FOR MICHIGAN FUND. HOWEVER, IF THE
9 AUTHORIZED BUSINESS FAILS TO MAINTAIN THE REQUISITE NUMBER OF
10 CERTIFIED NEW JOBS AS PROVIDED IN THE WRITTEN AGREEMENT, THE
11 AUTHORIZED BUSINESS WILL FORFEIT THE WITHHOLDING TAX CAPTURE
12 REVENUES FOR THAT CALENDAR YEAR.

13 (I) THE ELIGIBLE BUSINESS HAS RECEIVED A LETTER OF SUPPORT FOR
14 THE EXPANSION OR NEW LOCATION FROM THE CHIEF EXECUTIVE OFFICIAL, OR
15 HIS OR HER DESIGNEE, OF THE MUNICIPALITY WITH JURISDICTION OVER THE
16 LOCATION OF THAT FACILITY. A REGIONAL DEVELOPMENT AGENCY PROMOTING
17 ECONOMIC DEVELOPMENT IN THE REGION WHERE THE FACILITY IS LOCATED
18 MAY BE APPOINTED AS THE DESIGNEE.

19 (5) IF THE FUND DETERMINES THAT THE ELIGIBLE BUSINESS
20 SATISFIES ALL OF THE REQUIREMENTS OF SUBSECTION (4), SUBJECT TO
21 SUBSECTION (6), THE FUND SHALL DETERMINE THE AMOUNT AND DURATION OF
22 THE WITHHOLDING TAX CAPTURE REVENUES TO BE AUTHORIZED UNDER THIS
23 CHAPTER AND SHALL ENTER INTO A WRITTEN AGREEMENT AS PROVIDED IN
24 THIS SECTION. THE DURATION OF THE WITHHOLDING TAX CAPTURE REVENUES
25 MUST NOT EXCEED 5 OR 10 YEARS, WHICHEVER IS APPLICABLE BASED ON THE
26 AVERAGE ANNUAL WAGE OF THE CERTIFIED NEW JOBS, FROM THE DATE THE
27 AUTHORIZED BUSINESS CREATES THE CERTIFIED NEW JOBS AS PROVIDED IN

1 THE WRITTEN AGREEMENT. SUBJECT TO SUBSECTION (6), IN DETERMINING
2 THE MAXIMUM AMOUNT AND MAXIMUM DURATION OF THE WITHHOLDING TAX
3 CAPTURE REVENUES AUTHORIZED, THE FUND SHALL CONSIDER THE FOLLOWING
4 FACTORS, IF APPLICABLE:

5 (A) THE NUMBER OF CERTIFIED NEW JOBS TO BE CREATED.

6 (B) THE DEGREE TO WHICH THE AVERAGE ANNUAL WAGE OF THE
7 CERTIFIED NEW JOBS EXCEEDS THE PROSPERITY REGION AVERAGE WAGE.

8 (C) WHETHER THERE IS A DISADVANTAGE TO THE ELIGIBLE BUSINESS
9 IF IT WERE TO EXPAND OR LOCATE IN THIS STATE VERSUS A SITE OUTSIDE
10 THIS STATE.

11 (D) THE POTENTIAL IMPACT OF THE EXPANSION OR LOCATION ON THE
12 ECONOMY OF THIS STATE.

13 (E) THE ESTIMATED COST OF THE REIMBURSEMENT OF WITHHOLDING TAX
14 CAPTURE REVENUES UNDER THIS CHAPTER, THE STAFF, FINANCIAL, OR
15 ECONOMIC ASSISTANCE PROVIDED BY THE MUNICIPALITY, OR LOCAL ECONOMIC
16 DEVELOPMENT CORPORATION OR SIMILAR ENTITY, AND THE VALUE OF
17 ASSISTANCE OTHERWISE PROVIDED BY THIS STATE.

18 (F) WHETHER THE EXPANSION OR LOCATION WILL OCCUR IN THIS STATE
19 WITHOUT THE PAYMENT OF WITHHOLDING TAX CAPTURE REVENUES OFFERED
20 UNDER THIS CHAPTER.

21 (6) THE FUND SHALL DETERMINE THE DURATION AND AMOUNT OF THE
22 WITHHOLDING TAX CAPTURE REVENUES. IN DETERMINING THE DURATION OF
23 THE WITHHOLDING TAX CAPTURE REVENUES, THE FUND SHALL PROVIDE A
24 DURATION OF UP TO 5 YEARS FOR ELIGIBLE BUSINESSES THAT PAY AN
25 AVERAGE ANNUAL WAGE THAT IS EQUAL TO OR MORE THAN THE PROSPERITY
26 REGION AVERAGE WAGE AND UP TO A DURATION OF 10 YEARS FOR ELIGIBLE
27 BUSINESSES THAT PAY AN AVERAGE ANNUAL WAGE THAT IS EQUAL TO 125% OR

1 MORE OF THE PROSPERITY REGION AVERAGE WAGE. IN DETERMINING THE
2 AMOUNT OF THE WITHHOLDING TAX CAPTURE REVENUE PAYMENTS, THE FUND
3 MAY APPROVE A PAYMENT OF NOT MORE THAN 50% OF THE WITHHOLDING TAX
4 CAPTURE REVENUES FOR AN ELIGIBLE BUSINESS THAT PAYS AN AVERAGE
5 ANNUAL WAGE THAT IS EQUAL TO OR MORE THAN THE PROSPERITY REGION
6 AVERAGE WAGE AND A PAYMENT OF UP TO 100% OF THE WITHHOLDING TAX
7 CAPTURE REVENUES FOR AN ELIGIBLE BUSINESS THAT PAYS AN AVERAGE
8 ANNUAL WAGE THAT IS EQUAL TO 125% OR MORE OF THE PROSPERITY REGION
9 AVERAGE WAGE. THE AMOUNT OF WITHHOLDING TAX CAPTURE REVENUES
10 CERTIFIED TO BE PAID TO AN AUTHORIZED BUSINESS SHALL BE REDUCED BY
11 5%, WHICH SHALL BE RETAINED BY THE FUND FOR ADDITIONAL
12 ADMINISTRATIVE EXPENSES UNDER THIS CHAPTER AS PROVIDED UNDER
13 SECTION 90I.

14 (7) A WRITTEN AGREEMENT BETWEEN AN ELIGIBLE BUSINESS AND THE
15 FUND MUST INCLUDE, BUT NEED NOT BE LIMITED TO, ALL OF THE
16 FOLLOWING:

17 (A) A DESCRIPTION OF THE BUSINESS EXPANSION OR LOCATION THAT
18 IS THE SUBJECT OF THE WRITTEN AGREEMENT.

19 (B) CONDITIONS UPON WHICH THE AUTHORIZED BUSINESS DESIGNATION
20 IS MADE.

21 (C) A STATEMENT FROM THE ELIGIBLE BUSINESS THAT THE ELIGIBLE
22 BUSINESS WOULD NOT HAVE ADDED CERTIFIED NEW JOBS WITHOUT THE
23 WITHHOLDING TAX CAPTURE REVENUE PAYMENTS AUTHORIZED UNDER THIS
24 CHAPTER.

25 (D) AN ESTIMATE OF THE AMOUNT OF WITHHOLDING TAX CAPTURE
26 REVENUES EXPECTED TO BE GENERATED FOR EACH CALENDAR YEAR OF THE
27 DURATION OF THE WRITTEN AGREEMENT.

1 (E) A STATEMENT BY THE ELIGIBLE BUSINESS THAT A VIOLATION OF
2 THE WRITTEN AGREEMENT MAY RESULT IN THE REVOCATION OF THE
3 DESIGNATION AS AN AUTHORIZED BUSINESS, THE LOSS OR REDUCTION OF
4 FUTURE WITHHOLDING TAX CAPTURE REVENUE PAYMENTS UNDER THIS CHAPTER,
5 OR A REPAYMENT OF WITHHOLDING TAX CAPTURE REVENUES RECEIVED
6 PURSUANT TO THIS CHAPTER.

7 (F) A STATEMENT BY THE ELIGIBLE BUSINESS THAT A
8 MISREPRESENTATION IN THE APPLICATION MAY RESULT IN THE REVOCATION
9 OF THE DESIGNATION AS AN AUTHORIZED BUSINESS AND THE REPAYMENT OF
10 WITHHOLDING TAX CAPTURE REVENUES RECEIVED UNDER THIS CHAPTER PLUS A
11 PENALTY EQUAL TO 10% OF THE WITHHOLDING TAX CAPTURE REVENUE
12 PAYMENTS RECEIVED PURSUANT TO THIS CHAPTER.

13 (G) A METHOD FOR MEASURING AND VERIFYING FULL-TIME JOBS BEFORE
14 AND AFTER AN EXPANSION OR LOCATION OF AN AUTHORIZED BUSINESS IN
15 THIS STATE.

16 (H) A PROVISION THAT THE AUTHORIZED BUSINESS THAT IS CERTIFIED
17 UNDER SECTION 90I(2) FOR A PAYMENT FROM THE GOOD JOBS FOR MICHIGAN
18 FUND SHALL FILE THE REQUIRED RETURNS AND REPORTS UNDER THIS CHAPTER
19 AND PART 3 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.701
20 TO 206.713, WITH THE DEPARTMENT OF TREASURY, AND SHALL PROVIDE ANY
21 OTHER INFORMATION REASONABLY REQUESTED BY THE FUND OR THE
22 DEPARTMENT OF TREASURY.

23 (I) A MAXIMUM AMOUNT OF WITHHOLDING TAX CAPTURE REVENUES THAT
24 THE AUTHORIZED BUSINESS MAY CLAIM BEFORE REDUCTION OF THE 5%
25 PAYMENT DESCRIBED IN SECTION 90I FOR ADMINISTRATIVE EXPENSES.

26 (8) UPON EXECUTION OF A WRITTEN AGREEMENT AS PROVIDED IN THIS
27 CHAPTER, AN ELIGIBLE BUSINESS IS AN AUTHORIZED BUSINESS. THE FUND

1 SHALL PROVIDE A COPY OF EACH WRITTEN AGREEMENT TO THE DEPARTMENT OF
2 TREASURY. UPON EXECUTION OF THE WRITTEN AGREEMENT, THE TRANSFER AND
3 PAYMENT OF WITHHOLDING TAX CAPTURE REVENUES AS SPECIFIED IN THIS
4 CHAPTER AND IN THE WRITTEN AGREEMENT IS BINDING ON THIS STATE. THE
5 STATE TREASURER SHALL CALCULATE, BASED ON THE WRITTEN AGREEMENTS
6 RECEIVED PURSUANT TO THIS SUBSECTION, THE AMOUNT OF WITHHOLDING TAX
7 CAPTURE REVENUES COLLECTED AS A RESULT OF THE CERTIFIED NEW JOBS
8 CREATED PURSUANT TO THOSE WRITTEN AGREEMENTS FOR EACH CALENDAR YEAR
9 AND THE PERCENTAGE OF THAT AMOUNT THAT NEEDS TO BE TRANSFERRED FROM
10 THE GENERAL FUND AND DEPOSITED, IN ACCORDANCE WITH SECTION 51F OF
11 THE INCOME TAX ACT OF 1967, 1967 PA 261, MCL 206.51F, INTO THE GOOD
12 JOBS FOR MICHIGAN FUND, WHERE THE FUND SHALL ISSUE PAYMENTS TO THE
13 AUTHORIZED BUSINESS IN THE MANNER PROVIDED IN SECTION 90I.

14 (9) THE FUND SHALL NOT EXECUTE MORE THAN 15 NEW WRITTEN
15 AGREEMENTS EACH CALENDAR YEAR FOR AUTHORIZED BUSINESSES. THE FUND
16 SHALL NOT COMMIT, AND THE DEPARTMENT OF TREASURY SHALL NOT
17 DISBURSE, MORE THAN \$250,000,000.00 IN TOTAL WITHHOLDING TAX
18 CAPTURE REVENUES UNDER THIS CHAPTER, WHICH INCLUDES THE 5% PAYMENT
19 FOR ADMINISTRATIVE EXPENSES AS PROVIDED IN SECTION 90I. IF THE FUND
20 APPROVES FEWER THAN 15 WRITTEN AGREEMENTS IN A CALENDAR YEAR OR IF
21 AN AUTHORIZED BUSINESS FORFEITS ANY PORTION OF THE WITHHOLDING TAX
22 CAPTURE REVENUES UNDER SECTION 90I(4) AND THE AMOUNT COMMITTED OR
23 DISBURSED UNDER THIS CHAPTER IS LESS THAN \$250,000,000.00, THEN THE
24 UNUSED APPROVAL AUTHORITY SHALL CARRY FORWARD INTO FUTURE CALENDAR
25 YEARS. FOR PURPOSES OF THIS SUBSECTION, "TOTAL WITHHOLDING TAX
26 CAPTURE REVENUES" MEANS THE AGGREGATE AMOUNT OF WITHHOLDING TAX
27 CAPTURE REVENUES THAT MAY BE DISTRIBUTED TO AUTHORIZED BUSINESSES

1 UNDER ALL WRITTEN AGREEMENTS.

2 SEC. 90I. (1) SUBJECT TO THE LIMITATIONS UNDER SECTION 90H(9),
3 AN AUTHORIZED BUSINESS IS ELIGIBLE TO RECEIVE WITHHOLDING TAX
4 CAPTURE REVENUE PAYMENTS AS PROVIDED IN THIS CHAPTER.

5 (2) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION (3), THE
6 FUND SHALL ISSUE A WITHHOLDINGS CERTIFICATE EACH CALENDAR YEAR TO
7 AN AUTHORIZED BUSINESS THAT STATES THE FOLLOWING:

8 (A) THAT THE ELIGIBLE BUSINESS IS AN AUTHORIZED BUSINESS.

9 (B) THE AMOUNT OF WITHHOLDING TAX CAPTURE REVENUES TO BE PAID
10 FROM THE GOOD JOBS FOR MICHIGAN FUND FOR THE DESIGNATED CALENDAR
11 YEAR.

12 (C) THE AUTHORIZED BUSINESS'S FEDERAL EMPLOYER IDENTIFICATION
13 NUMBER OR THE MICHIGAN TREASURY NUMBER ASSIGNED TO THE AUTHORIZED
14 BUSINESS.

15 (3) THE FUND SHALL PROVIDE THE DEPARTMENT OF TREASURY WITH A
16 COPY OF EACH WITHHOLDINGS CERTIFICATE ISSUED UNDER THIS SECTION.
17 UPON RECEIPT OF A WITHHOLDINGS CERTIFICATE, AN AUTHORIZED BUSINESS
18 MAY REQUEST A PAYMENT FROM THE GOOD JOBS FOR MICHIGAN FUND BY
19 FILING A COPY OF THE WITHHOLDINGS CERTIFICATE WITH THE FUND. THE
20 FUND SHALL ISSUE THE WITHHOLDING TAX CAPTURE REVENUE PAYMENT FROM
21 THE GOOD JOBS FOR MICHIGAN FUND WITHIN 90 DAYS OF RECEIPT OF THE
22 REQUEST FOR PAYMENT FROM THE AUTHORIZED BUSINESS.

23 (4) IF THE AUTHORIZED BUSINESS SUBSEQUENTLY FAILS TO SATISFY
24 AND MAINTAIN THE MINIMUM NUMBER OF CERTIFIED NEW JOBS AS REQUIRED
25 UNDER THIS CHAPTER OR ANY OTHER CONDITIONS INCLUDED IN THE WRITTEN
26 AGREEMENT, THE AUTHORIZED BUSINESS FORFEITS ITS WITHHOLDING TAX
27 CAPTURE REVENUE PAYMENT FOR THE CALENDAR YEAR THAT THE AUTHORIZED

1 BUSINESS FAILS TO COMPLY WITH THIS CHAPTER OR THE WRITTEN
2 AGREEMENT. THE FORFEITURE OF A WITHHOLDING TAX CAPTURE REVENUE
3 PAYMENT UNDER THIS SUBSECTION DOES NOT EXTEND THE DURATION OF THE
4 ORIGINAL WRITTEN AGREEMENT. ACCORDINGLY, IF THE DURATION OF THE
5 WRITTEN AGREEMENT HAS NOT EXPIRED, AN AUTHORIZED BUSINESS THAT
6 SATISFIES ALL OF THE TERMS OF THE WRITTEN AGREEMENT AFTER A
7 FORFEITURE UNDER THIS SUBSECTION IS ENTITLED TO CERTIFICATION FOR
8 WITHHOLDING TAX CAPTURE REVENUE PAYMENTS FOR THOSE SUBSEQUENT
9 CALENDAR YEARS.

10 (5) IN THE EVENT OF A PROPOSED REORGANIZATION, MERGER, OR
11 OTHER CHANGE OF OWNERSHIP OF THE AUTHORIZED BUSINESS FOR WHICH
12 REIMBURSEMENT WILL CONTINUE PURSUANT TO A WRITTEN AGREEMENT, THE
13 APPROVAL OF THE FUND IS REQUIRED PRIOR TO THE ASSIGNMENT OR
14 TRANSFER OF THE WRITTEN AGREEMENT.

15 (6) THE FUND SHALL RETAIN AN AMOUNT EQUAL TO 5% OF THE
16 WITHHOLDING TAX CAPTURE REVENUE PAYMENTS AUTHORIZED FOR THAT YEAR
17 FOR THE FUND. THE BOARD SHALL USE THE AMOUNT DESCRIBED IN THIS
18 SUBSECTION TO PAY FOR THE ADDITIONAL ADMINISTRATION EXPENSES UNDER
19 THIS CHAPTER.

20 (7) AS A CONDITION OF BEING AN AUTHORIZED BUSINESS, AN
21 AUTHORIZED BUSINESS AUTHORIZES THE FUND TO IDENTIFY THE AUTHORIZED
22 BUSINESS AND DISCLOSE THE AMOUNT AND DURATION OF THE WITHHOLDING
23 TAX CAPTURE REVENUE PAYMENTS. THE FUND SHALL PUBLISH THE
24 INFORMATION DESCRIBED IN THIS SUBSECTION ON THE FUND'S WEBSITE AND
25 INCLUDE THIS INFORMATION IN THE REPORT REQUIRED UNDER SECTION 9.

26 SEC. 90J. (1) THE GOOD JOBS FOR MICHIGAN FUND IS CREATED
27 WITHIN THE STATE TREASURY. THE STATE TREASURER MAY RECEIVE MONEY OR

1 OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE
2 TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE
3 TREASURER SHALL CREDIT ALL AMOUNTS DEPOSITED PURSUANT TO SECTION
4 51F OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.51F, TO THE
5 FUND AND SHALL CREDIT TO THE FUND ANY INTEREST AND EARNINGS FROM
6 FUND INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR
7 SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

8 (2) THE GOOD JOBS FOR MICHIGAN FUND MAY BE USED ONLY FOR 1 OR
9 MORE OF THE FOLLOWING PURPOSES:

10 (A) TO MAKE WITHHOLDING TAX CAPTURE REVENUE PAYMENTS IN
11 ACCORDANCE WITH A WRITTEN AGREEMENT TO AN AUTHORIZED BUSINESS
12 WITHIN 90 DAYS AFTER RECEIPT OF A REQUEST FOR PAYMENT AND A COPY OF
13 THE WITHHOLDING CERTIFICATE ISSUED UNDER SECTION 90I.

14 (B) TO DISTRIBUTE AN AMOUNT EQUAL TO 5% OF THE WITHHOLDING TAX
15 CAPTURE REVENUE PAYMENTS CERTIFIED UNDER SECTION 90I TO THE
16 MICHIGAN STRATEGIC FUND TO PAY FOR ADMINISTRATION EXPENSES.

17 Enacting section 1. This amendatory act takes effect 180 days
18 after the date it is enacted into law.