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BILL ANALYSIS

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Senate Bill 824 (Substitute S-2 as reported)
Sponsor: Senator Jason E. Allen
Committee: Commerce and Labor

CONTENT

The bill would amend the Michigan Economic Growth Authority (MEGA) Act to:

- Specify that MEGA would be within the Michigan Strategic Fund (MSF). (The Act created MEGA within the former Michigan Jobs Commission, but Executive Reorganization Order 1999-1 abolished the Commission and transferred MEGA to the MSF.)
- Designate as chairperson of MEGA the Director of the Department of Labor and Economic Growth (LEG). (That Department is proposed by Executive Order 2003-18, which will take effect on December 7, 2003, unless it is rejected by the Legislature.)
- Include as a MEGA member the chief executive officer of the Michigan Economic Development Corporation (MEDC) and remove from membership the Director of the Department of Management and Budget.
- Include in the Authority members appointed by the Governor upon the nomination of the Senate Majority Leader and the Speaker of the House, and require that gubernatorial appointments to MEGA be with the advice and consent of the Senate.
- Require that the MEGA members who were the Majority Leader's and Speaker's nominees serve on the executive committee that reviews applications under the Act.
- Require the Authority, rather than the MEGA chairperson, to make determinations on the confidentiality of financial and proprietary information submitted to MEGA.
- Require authorized businesses to make a good-faith effort to use Michigan-based suppliers and vendors when purchasing goods and services.
- Prohibit MEGA from requiring an eligible business to pay an unreasonable fee or make a donation to the MEDC or a foundation or fund associated with the MEDC, for a period beginning three years before and ending three years after the date the eligible business became an authorized business.
- Include the names of corporate officers, board members, and partners of authorized businesses in the information that must be in MEGA's annual report to the Legislature.
- Revise the Act's definition of an "authorized business" to include a business not required to create new jobs or maintain retained jobs if jobs were created or retained by an associated or affiliated business.
- Allow MEGA to offer a job retention credit against the single business tax to an eligible business that made capital investment of \$100 million and agreed to maintain at least 2,000 jobs, if the offer were part of a package of incentives addressing international competition and included a negotiated labor contribution.
- Delete MEGA's power to promulgate rules.

MCL 207.803 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 11-6-03

Fiscal Analyst: Maria Tyszkiewicz

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Analysis available @ <http://www.michiganlegislature.org>

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