

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5255

A bill to amend 1995 PA 24, entitled "Michigan economic growth authority act," by amending sections 3, 4, 5, 6, 8, and 10 (MCL 207.803, 207.804, 207.805, 207.806, 207.808, and 207.810), section 3 as amended by 2000 PA 428 and sections 6 and 8 as amended by 2000 PA 144, and by adding section 8a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Affiliated business" means a business that is 100% owned
3 and controlled by an associated business.

4 (b) "Associated business" means a business which owns at
5 least 50% of and controls, directly or indirectly, an authorized
6 business.

7 (c) ~~—(a)—~~ "Authorized business" means ~~—an eligible business~~
8 ~~with which the authority has entered into a written agreement for~~

House Bill No. 5255 (S-3) as amended December 18, 2003

1 ~~a tax credit under section 9.~~ 1 of the following:

2 (i) A single eligible business with a unique federal employer
3 identification number which has met the requirements of section 8
4 and with which the authority has entered into a written agreement
5 for a tax credit under section 9.

6 (ii) A single eligible business with a unique federal
7 employer identification number which has met the requirements of
8 section 8, except as provided in this subparagraph, and with
9 which the authority has entered into a written agreement for a
10 tax credit under section 9. An eligible business is not required
11 to create qualified new jobs or maintain retained jobs if
12 qualified new jobs are created or retained jobs are maintained by
13 an associated or affiliated business.

14 (d) ~~-(b)-~~ "Authority" means the Michigan economic growth
15 authority created under section 4.

16 (e) "Business" means proprietorship, joint venture,
17 partnership, limited liability partnership, trust, business
18 trust, syndicate, association, joint stock company, corporation,
19 cooperative, limited liability company, or any other
20 organization.

21 (f) "Distressed business" means a business that meets all of
22 the following as verified by the [\[Michigan economic growth authority\]](#):

23 (i) Four years immediately preceding the application to the
24 authority under this act, the business had 150 or more full-time
25 jobs in this state.

26 (ii) Within the immediately preceding 4 years, there has been
27 a reduction of not less than 30% of the number of full-time jobs

1 in this state during any consecutive 3-year period. The highest
2 number of full-time jobs within the consecutive 3-year period
3 shall be used in order to determine the percentage reduction of
4 full-time jobs in this subparagraph.

5 (iii) Is not a seasonal employer as defined in section 27 of
6 the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL
7 421.27.

8 (g) ~~(e)~~ "Eligible business" means a **distressed business or**
9 business that proposes to maintain retained jobs after December
10 31, 1999 or to create qualified new jobs in this state after
11 April 18, 1995 in manufacturing, mining, research and
12 development, wholesale and trade, or office operations or a
13 business that is a qualified high-technology business. An
14 eligible business does not include retail establishments,
15 professional sports stadiums, or that portion of an eligible
16 business used exclusively for retail sales. Professional sports
17 stadium does not include a sports stadium in existence on June 6,
18 2000 that is not used by a professional sports team on the date
19 that an application related to that professional sports stadium
20 is filed under section 8.

21 (h) ~~(d)~~ "Facility" means a site within this state in which
22 an authorized business maintains retained jobs or creates
23 qualified new jobs. A facility does not include a site that was
24 a vaccine laboratory owned by this state on April 1, 1995.

25 (i) ~~(e)~~ "Full-time job" means a job performed by an
26 individual who is employed by an authorized business **or an**
27 **employee leasing company or professional employer organization on**

1 **behalf of the authorized business** for consideration for 35 hours
2 or more each week and for which the authorized business **or an**
3 **employee leasing company or professional employer organization on**
4 **behalf of the authorized business** withholds income and social
5 security taxes.

6 (j) ~~(f)~~ "Local governmental unit" means a county, city,
7 village, or township in this state.

8 (k) ~~(g)~~ "High-technology activity" means 1 or more of the
9 following:

10 (i) Advanced computing, which is any technology used in the
11 design and development of any of the following:

12 (A) Computer hardware and software.

13 (B) Data communications.

14 (C) Information technologies.

15 (ii) Advanced materials, which are materials with engineered
16 properties created through the development of specialized process
17 and synthesis technology.

18 (iii) Biotechnology, which is any technology that uses living
19 organisms, cells, macromolecules, microorganisms, or substances
20 from living organisms to make or modify a product, improve plants
21 or animals, or develop microorganisms for useful purposes.

22 Biotechnology does not include human cloning as defined in
23 section 16274 of the public health code, 1978 PA 368,
24 MCL 333.16274, or stem cell research with embryonic tissue.

25 (iv) Electronic device technology, which is any technology
26 that involves microelectronics, semiconductors, electronic
27 equipment, and instrumentation, radio frequency, microwave, and

1 millimeter electronics, and optical and optic-electrical devices,
2 or data and digital communications and imaging devices.

3 (v) Engineering or laboratory testing related to the
4 development of a product.

5 (vi) Technology that assists in the assessment or prevention
6 of threats or damage to human health or the environment,
7 including, but not limited to, environmental cleanup technology,
8 pollution prevention technology, or development of alternative
9 energy sources.

10 (vii) Medical device technology, which is any technology that
11 involves medical equipment or products other than a
12 pharmaceutical product that has therapeutic or diagnostic value
13 and is regulated.

14 (viii) Product research and development.

15 (ix) Advanced vehicles technology that is any technology that
16 involves electric vehicles, hybrid vehicles, or alternative fuel
17 vehicles, or components used in the construction of electric
18 vehicles, hybrid vehicles, or alternative fuel vehicles. For
19 purposes of this act:

20 (A) "Electric vehicle" means a road vehicle that draws
21 propulsion energy only from an on-board source of electrical
22 energy.

23 (B) "Hybrid vehicle" means a road vehicle that can draw
24 propulsion energy from both a consumable fuel and a rechargeable
25 energy storage system.

26 (x) **Tool and die manufacturing.**

27 (l) ~~(h)~~ "New capital investment" means 1 or more of the

1 following:

2 (i) New construction. As used in this subparagraph:

3 (A) "New construction" means property not in existence on the
4 date the authorized business enters into a written agreement with
5 the authority and not replacement construction. New construction
6 includes the physical addition of equipment or furnishings,
7 subject to section 27(2)(a) to (o) of the general property tax
8 act, 1893 PA 206, MCL 211.27.

9 (B) "Replacement construction" means that term as defined in
10 section 34d(1)(b)(v) of the general property tax act, 1893
11 PA 206, MCL 211.34d.

12 (ii) The purchase of new personal property. As used in this
13 subparagraph, "new personal property" means personal property
14 that is not subject to or that is exempt from the collection of
15 taxes under the general property tax act, 1893 PA 206, MCL 211.1
16 to 211.157, on the date the authorized business enters into a
17 written agreement with the authority.

18 (m) ~~-(i)-~~ "Qualified high-technology business" means a
19 business that is ~~both~~ **either** of the following:

20 (i) A business with not less than 25% of the total operating
21 expenses of the business used for research and development in the
22 tax year in which the business files an application under this
23 act as determined under generally accepted accounting principles
24 and verified by the authority.

25 (ii) A business whose primary business activity is
26 high-technology activity.

27 (n) ~~-(j)-~~ "Qualified new job" means ~~either~~ 1 of the

1 following:

2 (i) A full-time job created by an authorized business at a
3 facility that is in excess of the number of full-time jobs the
4 authorized business maintained in this state prior to the
5 expansion or location, as determined by the authority.

6 (ii) For jobs created after July 1, 2000, a full-time job at
7 a facility created by an eligible business that is in excess of
8 the number of full-time jobs maintained by that eligible business
9 in this state 120 days before the eligible business became an
10 authorized business, as determined by the authority.

11 (iii) **For a distressed business, a full-time job at a**
12 **facility that is in excess of the number of full-time jobs**
13 **maintained by that eligible business in this state on the date**
14 **the eligible business became an authorized business.**

15 (o) ~~-(k)-~~ "Retained jobs" means the number of full-time jobs
16 at a facility of an authorized business maintained in this state
17 on a specific date as that date and number of jobs is determined
18 by the authority.

19 (p) **"Rural business" means an eligible business located in a**
20 **county with a population of 75,000 or less.**

21 (q) ~~-(l)-~~ "Written agreement" means a written agreement made
22 pursuant to section 8.

23 Sec. 4. (1) The Michigan economic growth authority is
24 created within the Michigan ~~jobs commission~~ **strategic fund**.
25 The Michigan ~~jobs commission~~ **strategic fund** shall provide staff
26 for the authority and shall carry out the administrative duties
27 and functions as directed by the authority. The budgeting,

1 procurement, and related functions as directed by the authority
2 are under the supervision of the ~~director~~ **president** of the
3 Michigan ~~jobs commission~~ **strategic fund**.

4 (2) The authority consists of the following 8 members:

5 (a) The director of the ~~Michigan jobs commission~~ **department**
6 **of labor and economic growth**, or his or her designee, as
7 chairperson of the authority.

8 (b) The state treasurer or his or her designee.

9 (c) The ~~director of the department of management and budget~~
10 **chief executive officer of the Michigan economic development**
11 **corporation**, or his or her designee.

12 (d) The director of the state transportation department, or
13 his or her designee.

14 (e) Four other members appointed by the governor **by and with**
15 **the advice and consent of the senate** who are not employed by this
16 state and who have knowledge, skill, and experience in the
17 academic, business, local government, labor, or financial
18 fields.

19 (3) A member shall be appointed for a term of 4 years, except
20 that of the members first appointed by the governor, 2 shall be
21 appointed for a term of 2 years and 2 for a term of 4 years from
22 the dates of their appointments. A vacancy shall be filled for
23 the balance of the unexpired term in the same manner as an
24 original appointment **by the governor and by and with the advice**
25 **and consent of the senate**.

26 (4) Except as otherwise provided by law, a member of the
27 authority shall not receive compensation for services, but the

1 authority may reimburse each member for expenses necessarily
2 incurred in the performance of his or her duties.

3 Sec. 5. (1) The powers of the authority are vested in the
4 authority members in office. Regardless of the existence of a
5 vacancy, a majority of the members of the authority constitutes a
6 quorum necessary for the transaction of business at a meeting or
7 the exercise of a power or function of the authority. Action may
8 be taken by the authority at a meeting upon a vote of the
9 majority of the members present.

10 (2) The authority shall meet at the call of the chairperson
11 or as may be provided by the authority. Meetings of the
12 authority may be held anywhere within this state.

13 (3) The business of the authority shall be conducted at a
14 public meeting of the authority held in compliance with the open
15 meetings act, ~~Act No. 267 of the Public Acts of 1976, being~~
16 ~~sections 15.261 to 15.275 of the Michigan Compiled Laws~~ **1976 PA**
17 **267, MCL 15.261 to 15.275.** Public notice of the time, date, and
18 place of the meeting shall be given as provided by ~~Act No. 267~~
19 ~~of the Public Acts of 1976~~ **the open meetings act, 1976 PA 267,**
20 **MCL 15.261 to 15.275.** A record or portion of a record, material,
21 or other data received, prepared, used, or retained by the
22 authority in connection with an application for a tax credit
23 under section 9 that relates to financial or proprietary
24 information submitted by the applicant that is considered by the
25 applicant and acknowledged by the authority as confidential shall
26 not be subject to the disclosure requirements of the freedom of
27 information act, ~~Act No. 442 of the Public Acts of 1976, being~~

1 ~~sections 15.231 to 15.246 of the Michigan Compiled Laws 1976 PA~~
2 **442, MCL 15.231 to 15.246.** ~~The chairperson~~ **A designee** of the
3 authority shall make the determination as to whether the
4 authority acknowledges as confidential any financial or
5 proprietary information submitted by the applicant and considered
6 by the applicant as confidential. Unless considered proprietary
7 information, the authority shall not acknowledge routine
8 financial information as confidential. If the ~~chairperson~~
9 **designee** of the authority determines that information submitted
10 to the authority is financial or proprietary information and is
11 confidential, the ~~chairperson~~ **designee of the authority** shall
12 release a written statement, subject to disclosure under ~~Act~~
13 ~~No. 440 of the Public Acts of 1976~~ **the freedom of information**
14 **act, 1976 PA 442, MCL 15.231 to 15.246,** which states all of the
15 following:

16 (a) The name and business location of the person requesting
17 that the information submitted be confidential as financial or
18 proprietary information.

19 (b) That the information submitted was determined by the
20 ~~chairperson~~ **designee** of the authority to be confidential as
21 financial or proprietary information.

22 (c) A broad nonspecific overview of the financial or
23 proprietary information determined to be confidential.

24 (4) The authority shall not disclose financial or proprietary
25 information not subject to disclosure pursuant to subsection (3)
26 without consent of the applicant submitting the information.

27 (5) As used in this section, "financial or proprietary

1 information" means information that has not been publicly
2 disseminated or is unavailable from other sources, the release of
3 which might cause the applicant significant competitive harm.
4 Financial or proprietary information does not include a written
5 agreement under this act.

6 Sec. 6. The authority shall have powers necessary or
7 convenient to carry out and effectuate the purpose of this act,
8 including, but not limited to, the following:

9 (a) To authorize eligible businesses to receive tax credits
10 to foster job creation in this state.

11 (b) To determine which businesses qualify for tax credits
12 under this act.

13 (c) To determine the amount and duration of tax credits
14 authorized under this act.

15 (d) To issue certificates and enter into written agreements
16 specifying the conditions under which tax credits are authorized
17 and the circumstances under which those tax credits may be
18 reduced or terminated.

19 (e) To charge and collect reasonable administrative fees.

20 (f) To delegate to the chairperson of the authority, staff,
21 or others the functions and powers it considers necessary and
22 appropriate to administer the programs under this act.

23 ~~(g) To promulgate rules pursuant to the administrative~~
24 ~~procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328,~~
25 ~~necessary to carry out the purposes of this act.~~

26 (g) ~~(h)~~ To assist an eligible business to obtain the
27 benefits of a tax credit, incentive, or inducement program

1 provided by this act or by law.

2 **(h)** ~~—(i)—~~ To determine the eligibility of and issue
3 certificates to certain qualified taxpayers for credits allowed
4 under section 38g(3) of the single business tax act, 1975 PA 228,
5 MCL 208.38g, and to develop the application process and necessary
6 forms to claim the credit under section 38g(3) of the single
7 business tax act, 1975 PA 228, MCL 208.38g. The Michigan
8 economic growth authority annually shall prepare and submit to
9 the house of representatives and senate committees responsible
10 for tax policy and economic development issues a report on the
11 credits under section 38g(3) of the single business tax act, 1975
12 PA 228, MCL 208.38g. The report shall include, but is not
13 limited to, all of the following:

14 **(i)** A listing of the projects under section 38g(3) of the
15 single business tax act, 1975 PA 228, MCL 208.38g, that were
16 approved in the previous calendar year.

17 **(ii)** The total amount of eligible investment approved under
18 section 38g(3) of the single business tax act, 1975 PA 228, MCL
19 208.38g, in the previous calendar year.

20 **(i)** ~~—(j)—~~ To approve the capture of school operating taxes
21 and work plans as provided in sections 13 and 15 of the
22 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2663
23 and 125.2665.

24 **(j)** ~~—(k)—~~ To approve relocation of public buildings or
25 operations for economic development purposes under the brownfield
26 redevelopment financing act, **1996 PA 381, MCL 125.2651 to**
27 **125.2672.**

1 Sec. 8. (1) After receipt of an application, the authority
2 may enter into an agreement with an eligible business for a tax
3 credit under section 9 if the authority determines that all of
4 the following are met:

5 (a) Except as provided in subsection (5), the eligible
6 business creates 1 or more of the following within 12 months of
7 the expansion or location as determined by the authority:

8 (i) A minimum of 75 qualified new jobs at the facility if
9 expanding in this state.

10 (ii) A minimum of 150 qualified new jobs at the facility if
11 locating in this state.

12 (iii) A minimum of 25 qualified new jobs at the facility if
13 the facility is located in a neighborhood enterprise zone as
14 determined under the neighborhood enterprise zone act, 1992
15 PA 147, MCL 207.771 to 207.787, is located in a renaissance zone
16 under the Michigan renaissance zone act, 1996 PA 376,
17 MCL 125.2681 to 125.2696, or is located in a federally designated
18 empowerment zone, rural enterprise community, or enterprise
19 community.

20 (iv) A minimum of 5 qualified new jobs at the facility if the
21 eligible business is a qualified high-technology business.

22 (v) **A minimum of 5 qualified new jobs at the facility if the**
23 **eligible business is a rural business.**

24 (b) Except as provided in subsection (5), the eligible
25 business agrees to maintain 1 or more of the following for each
26 year that a credit is authorized under this act:

27 (i) A minimum of 75 qualified new jobs at the facility if

1 expanding in this state.

2 (ii) A minimum of 150 qualified new jobs at the facility if
3 locating in this state.

4 (iii) A minimum of 25 qualified new jobs at the facility if
5 the facility is located in a neighborhood enterprise zone as
6 determined under the neighborhood enterprise zone act, 1992
7 PA 147, MCL 207.771 to 207.787, is located in a renaissance zone
8 under the Michigan renaissance zone act, 1996 PA 376,
9 MCL 125.2681 to 125.2696, or is located in a federally designated
10 empowerment zone, rural enterprise community, or enterprise
11 community.

12 (iv) If the eligible business is a qualified high-technology
13 business, all of the following apply:

14 (A) A minimum of 5 qualified new jobs at the facility.

15 (B) A minimum of 25 qualified new jobs at the facility within
16 5 years after the date of the expansion or location as determined
17 by the authority and a minimum of 25 qualified new jobs at the
18 facility each year thereafter for which a credit is authorized
19 under this act.

20 (v) **If the eligible business is a rural business, all of the**
21 **following apply:**

22 (A) **A minimum of 5 qualified new jobs at the facility.**

23 (B) **A minimum of 25 qualified new jobs at the facility within**
24 **5 years after the date of the expansion or location as determined**
25 **by the authority.**

26 (c) Except as provided in subsection (5), in addition to the
27 jobs specified in subdivision (b), the eligible business, if

1 already located within this state, agrees to maintain a number of
2 full-time jobs equal to or greater than the number of full-time
3 jobs it maintained in this state prior to the expansion, as
4 determined by the authority.

5 (d) Except as otherwise provided in this subdivision, the
6 average wage paid for all retained jobs and qualified new jobs is
7 equal to or greater than 150% of the federal minimum wage.
8 However, if the eligible business is a qualified high-technology
9 business, then the average wage paid for all qualified new jobs
10 is equal to or greater than 400% of the federal minimum wage.

11 (e) Except for a qualified high-technology business, the
12 expansion, retention, or location of the eligible business will
13 not occur in this state without the tax credits offered under
14 this act.

15 (f) The local governmental unit in which the eligible
16 business will expand, be located, or maintain retained jobs, or a
17 local economic development corporation or similar entity, will
18 make a staff, financial, or economic commitment to the eligible
19 business for the expansion, retention, or location.

20 (g) The financial statements of the eligible business
21 indicated that it is financially sound and that its plans for the
22 expansion, retention, or location are economically sound.

23 (h) ~~The~~ **Except as provided in subsection (5)(c), the**
24 eligible business has not begun construction of the facility.

25 (i) The expansion, retention, or location of the eligible
26 business will benefit the people of this state by increasing
27 opportunities for employment and by strengthening the economy of

1 this state.

2 (j) The tax credits offered under this act are an incentive
3 to expand, retain, or locate the eligible business in Michigan
4 and address the competitive disadvantages with sites outside this
5 state.

6 (k) A cost/benefit analysis reveals that authorizing the
7 eligible business to receive tax credits under this act will
8 result in an overall positive fiscal impact to the state.

9 (l) If feasible, as determined by the authority, in locating
10 the facility, the authorized business reuses or redevelops
11 property that was previously used for an industrial or commercial
12 purpose.

13 (m) If the eligible business is a qualified high-technology
14 business, the eligible business agrees that not less than 25% of
15 the total operating expenses of the business will be maintained
16 for research and development for the first 3 years of the written
17 agreement.

18 (2) If the authority determines that the requirements of
19 subsection (1) or (5) have been met, the authority shall
20 determine the amount and duration of tax credits to be authorized
21 under section 9, and shall enter into a written agreement as
22 provided in this section. The duration of the tax credits shall
23 not exceed 20 years **or for an authorized business that is a**
24 **distressed business, 3 years.** In determining the amount and
25 duration of tax credits authorized, the authority shall consider
26 the following factors:

27 (a) The number of qualified new jobs to be created or

1 retained jobs to be maintained.

2 (b) The average wage level of the qualified new jobs or
3 retained jobs relative to the average wage paid by private
4 entities in the county in which the facility is located.

5 (c) The total capital investment or new capital investment
6 the eligible business will make.

7 (d) The cost differential to the business between expanding,
8 locating, or retaining new jobs in Michigan and a site outside of
9 Michigan.

10 (e) The potential impact of the expansion, retention, or
11 location on the economy of Michigan.

12 (f) The cost of the credit under section 9, the staff,
13 financial, or economic assistance provided by the local
14 government unit, or local economic development corporation or
15 similar entity, and the value of assistance otherwise provided by
16 this state.

17 (3) A written agreement between an eligible business and the
18 authority shall include, but need not be limited to, all of the
19 following:

20 (a) A description of the business expansion, retention, or
21 location that is the subject of the agreement.

22 (b) Conditions upon which the authorized business designation
23 is made.

24 (c) A statement by the eligible business that a violation of
25 the written agreement may result in the revocation of the
26 designation as an authorized business and the loss or reduction
27 of future credits under section 9.

1 (d) A statement by the eligible business that a
2 misrepresentation in the application may result in the revocation
3 of the designation as an authorized business and the refund of
4 credits received under section 9.

5 (e) A method for measuring full-time jobs before and after an
6 expansion, retention, or location of an authorized business in
7 this state.

8 (f) A written certification from the eligible business
9 regarding all of the following:

10 (i) The eligible business will follow a competitive bid
11 process for the construction, rehabilitation, development, or
12 renovation of the facility, and that this process will be open to
13 all Michigan residents and firms. The eligible business may not
14 discriminate against any contractor on the basis of its
15 affiliation or nonaffiliation with any collective bargaining
16 organization.

17 (ii) The eligible business will make a good faith effort to
18 employ, if qualified, Michigan residents at the facility.

19 (iii) The eligible business will make a good faith effort to
20 employ or contract with Michigan residents and firms to
21 construct, rehabilitate, develop, or renovate the facility.

22 **(iv) The eligible business is encouraged to make a good faith**
23 **effort to utilize Michigan-based suppliers and vendors when**
24 **purchasing goods and services.**

25 ~~(g) If the authority determines that it is necessary to~~
26 ~~provide infrastructure assistance for the location or expansion~~
27 ~~of an eligible business within an international tradeport~~

1 ~~development zone under the international tradeport development~~
2 ~~authority act, 1994 PA 325, MCL 125.2521 to 125.2546, a statement~~
3 ~~that if the authorized business locates or expands within that~~
4 ~~international tradeport development zone, that all or a portion~~
5 ~~of the tax credit received each year by the authorized business,~~
6 ~~as determined by the authority, shall be assigned by the~~
7 ~~authorized business to the international tradeport development~~
8 ~~authority for infrastructure improvements within the~~
9 ~~international tradeport development zone under the international~~
10 ~~tradeport development authority act, 1994 PA 325, MCL 125.2521 to~~
11 ~~125.2546.~~

12 (4) Upon execution of a written agreement as provided in this
13 section, an eligible business is an authorized business.

14 (5) After receipt of an application, the authority may enter
15 into a written agreement with an eligible business that meets
16 ~~either~~ **1 or more** of the following criteria:

17 (a) Is located in this state on the date of the application,
18 makes new capital investment of \$250,000,000.00 in this state,
19 and maintains 500 retained jobs, as determined by the authority.

20 **(b) Meets either of the following criteria:**

21 **(i)** ~~—(b)—~~ Relocates production of a product to this state
22 after the date of the application, makes capital investment of
23 \$500,000,000.00 in this state, and maintains 500 retained jobs,
24 as determined by the authority.

25 **(ii) Makes capital investment of \$100,000,000.00 in a time**
26 **period beginning 3 years prior to and 2 years following becoming**
27 **an authorized business and agrees to maintain at least 1,500 jobs**

1 at the facility without permanent reduction in full-time
2 employment except through attrition or retirement. The credit
3 under this subparagraph can only be granted as part of a package
4 of incentives that addresses international competition and
5 includes a negotiated labor contribution.

6 (c) Is a distressed business.

7 (6) The authority shall not execute more than 25 new written
8 agreements each year for eligible businesses that are not
9 qualified high-technology businesses, **distressed businesses, or**
10 **rural businesses**. If the authority executes less than 25 new
11 written agreements in a year, the authority may carry forward for
12 1 year only the difference between 25 and the number of new
13 agreements executed in the immediately preceding year.

14 (7) The authority shall not execute more than 50 new written
15 agreements each year for eligible businesses that are qualified
16 high-technology businesses or **rural business**. Only 5 of the 50
17 written agreements for businesses that are qualified
18 high-technology businesses or rural business may be executed each
19 year for qualified rural businesses.

20 (8) The authority shall not execute more than 20 new written
21 agreements each year for eligible businesses that are distressed
22 businesses. The authority shall not execute more than 5 of the
23 written agreements described in this subsection each year for
24 distressed businesses that had 1,000 or more full-time jobs at a
25 facility 4 years immediately preceding the application to the
26 authority under this act.

27 Sec. 8a. Beginning on the effective date of the amendatory

1 act that added this section, the authority shall not require an
2 eligible business, as a condition of becoming an authorized
3 business, to pay an unreasonable fee to or make a donation to the
4 Michigan economic development corporation or a foundation or fund
5 associated with the Michigan economic development corporation.

6 Sec. 10. The authority shall report to both houses of the
7 legislature yearly on October 1 on the activities of the
8 authority. The report shall include, but is not limited to, all
9 of the following:

10 (a) The total amount of capital investment attracted under
11 this act.

12 (b) The total number of qualified new jobs created under this
13 act.

14 (c) The total number of new written agreements.

15 (d) Name and location of all authorized businesses — and
16 the names and addresses of all of the following:

17 (i) The directors and officers of the corporation if the
18 authorized business is a corporation.

19 (ii) The partners of the partnership or limited liability
20 partnership if the authorized business is a partnership or
21 limited liability partnership.

22 (iii) The members of the limited liability company if the
23 authorized business is a limited liability company.

24 (e) The amount and duration of the tax credit separately for
25 each authorized business.

26 (f) The amount of any fee, donation, or other payment of any
27 kind from the authorized business to the Michigan economic

1 development corporation or a foundation or fund associated with
2 the Michigan economic development corporation paid or made in the
3 previous reporting year end or, if it is the first reporting year
4 for the authorized business, for the immediately preceding 3
5 calendar years.