

SENATE BILL NO. 615

August 25, 2021, Introduced by Senator HORN and referred to the Committee on Economic and Small Business Development.

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending section 9 (MCL 125.2009), as amended by 2017 PA 109, and by adding chapter 8F.

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

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

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

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

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

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

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

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

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

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

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

23 (e) The duration of the financial assistance.

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

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

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

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

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

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

9 (iii) The members of the house commerce committee.

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

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

13 (vi) The members of the senate appropriations subcommittee on
14 general government.

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

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

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

26 (3) The fund shall also transmit the audit described in
27 subsection (2) to the chairperson and minority vice-chairperson of
28 the senate appropriations subcommittee on general government and
29 the house of representatives appropriations subcommittee on general

1 government. The fund shall make the report and audit available to
2 the public on the fund's website.

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

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

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

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

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

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

22 (b) The total actual number of new jobs created under section
23 88r as reported to the fund.

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

27 (d) For each qualified business, whether it is a new business,
28 whether it is an expansion of an existing business, or whether it
29 relocated from outside of this state.

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

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

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

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

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

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

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

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

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

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

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

25 (c) The total actual amount of square footage revitalized or
26 added for each project approved under section 90d as reported to
27 the fund. When reporting square footage, the person must report the
28 square footage by category, including, but not limited to,
29 commercial, residential, or retail.

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

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

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

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

17 (a) The chairperson and minority vice-chairperson of the house
18 commerce committee.

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

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

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

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

29 (a) Section 88b.

1 (b) Section 88h.

2 (c) Section 90b.

3 (10) The report described in subsection (1) shall also
4 include, but is not limited to, all of the following for all
5 actions for business incubators approved by the fund after January
6 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) shall 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 also contain all of the following for each
9 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 program created
20 under chapter 8D **and the Michigan employment opportunity program**
21 **created under chapter 8F:**

22 (a) The name of the authorized business.

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

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

27 (17) As used in this section, "financial assistance" means
28 grants, loans, other economic assistance, and any other incentives
29 or assistance under this act.

Chapter 8F

Sec. 90t. As used in this chapter:

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

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

(c) "Certified new job" means a full-time job created by an authorized business at a facility in this state that is in excess of the number of full-time jobs that authorized business maintained in this state prior to the expansion or location and the number of full-time jobs that the authorized business acquired through a merger or acquisition that were located in this state prior to the expansion or location, as determined by the fund. Pursuant to a written agreement between the authorized business, the fund, and the primary supplier, certified new jobs for an authorized business described in subdivision (d) (i) may, as determined by the fund, include the number of those new jobs created by the primary supplier of that authorized business as a result of the new or increased business activity with that authorized business as determined by the fund.

(d) "Eligible business" means a business other than a retail

1 establishment, professional sports stadium, casino, or that portion
2 of an eligible business used exclusively for retail sales that
3 proposes to create 1 or more of the following:

4 (i) For an eligible business located in a tier 1 county, 1 of
5 the following:

6 (A) A minimum of 3,000 certified new jobs in this state with
7 an average annual wage that is equal to or greater than the
8 prosperity region average wage.

9 (B) A minimum of 500 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 (C) A minimum of 250 certified new jobs in this state with an
13 average annual wage that is equal to 125% or more of the prosperity
14 region average wage.

15 (ii) For an eligible business located in a tier 2 county, 1 of
16 the following:

17 (A) A minimum of 500 certified new jobs in this state with an
18 average annual wage that is equal to or greater than the prosperity
19 region average wage.

20 (B) A minimum of 250 certified new jobs in this state with an
21 average annual wage that is equal to or greater than the prosperity
22 region average wage.

23 (C) A minimum of 100 certified new jobs in this state with an
24 average annual wage that is equal to 125% or more of the prosperity
25 region average wage.

26 (iii) For an eligible business located in a tier 3 county, 1 of
27 the following:

28 (A) A minimum of 250 certified new jobs in this state with an
29 average annual wage that is equal to or greater than the prosperity

1 region average wage.

2 (B) A minimum of 100 certified new jobs in this state with an
3 average annual wage that is equal to or greater than the prosperity
4 region average wage.

5 (C) A minimum of 50 certified new jobs in this state with an
6 average annual wage that is equal to 125% or more of the prosperity
7 region average wage.

8 (e) "Employment opportunity fund" means the employment
9 opportunity fund created in section 90w.

10 (f) "Facility" means a site or sites within this state in
11 which an authorized business creates certified new jobs.

12 (g) "Full-time job" means a full-time job as determined by the
13 fund performed by an individual whose income and Social Security
14 taxes are withheld by 1 or more of the following:

15 (i) An authorized business.

16 (ii) An employee leasing company.

17 (iii) A professional employer organization on behalf of the
18 authorized business.

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

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

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

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

28 (j) "Prosperity region" means each of the 10 prosperity
29 regions identified by the department of technology, management, and

1 budget on the effective date of the amendatory act that added this
2 section.

3 (k) "Prosperity region average wage" means the average annual
4 wage for the prosperity region where the facility is located based
5 on the most recent data made available by the Michigan bureau of
6 labor market information and strategic initiatives.

7 (l) "Tier 1 county" means a county with a population of 250,000
8 or more.

9 (m) "Tier 2 county" means a county with a population of more
10 than 90,000 and less than 250,000.

11 (n) "Tier 3 county" means a county with a population of 90,000
12 or less.

13 (o) "Withholding tax capture revenues" means the amount of
14 income tax withheld under part 3 of the income tax act of 1967,
15 1967 PA 281, MCL 206.701 to 206.713, each calendar year that is
16 attributable to individuals employed within certified new jobs. The
17 state treasurer shall develop methods and processes that are
18 necessary for each authorized business to report the amount of
19 withholding under part 3 of the income tax act of 1967, 1967 PA
20 281, MCL 206.701 to 206.713, from individuals employed within
21 certified new jobs.

22 (p) "Written agreement" means a written agreement made between
23 the eligible business and the fund pursuant to this chapter.

24 Sec. 90u. (1) The fund shall create and operate the Michigan
25 employment opportunity program to authorize the transfer of the
26 dedicated portion of withholding tax capture revenues to authorized
27 businesses that provide certified new jobs in this state. The fund
28 shall develop and use a detailed application, approval, and
29 compliance process published and available on the fund's website.

1 (2) An eligible business may apply to the fund to enter into a
2 written agreement which authorizes the payment of withholding tax
3 capture revenues under this chapter.

4 (3) The fund may request information, in addition to that
5 contained in an application, as may be needed to permit the fund to
6 discharge its responsibilities under this chapter.

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

11 (a) The eligible business proposes to create and maintain the
12 minimum number of certified new jobs at a facility in this state
13 and to pay an average annual wage that is described in section
14 90t(d).

15 (b) In addition to the jobs specified in subdivision (a), the
16 eligible business, if already located within this state, agrees to
17 maintain a number of full-time jobs equal to or greater than the
18 number of full-time jobs it maintained in this state prior to the
19 expansion, as determined by the fund.

20 (c) The plans for the expansion or location are economically
21 sound.

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

25 (e) The withholding tax capture revenues offered under this
26 chapter and paid from the employment opportunity fund are an
27 incentive to expand or locate the eligible business in this state
28 and address the competitive disadvantages with sites outside this
29 state.

1 (f) An industry-recognized regional economic model cost-
2 benefit analysis reveals that the payment of withholding tax
3 capture revenues under this chapter to an eligible business will
4 result in an overall positive fiscal impact to the state.

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

8 (h) The eligible business will maintain the number of
9 certified new jobs throughout the duration of the period of time
10 that the authorized business receives withholding tax capture
11 revenues paid from the employment opportunity fund. However, if the
12 authorized business fails to maintain the requisite number of
13 certified new jobs as provided in the written agreement, the
14 authorized business will forfeit the withholding tax capture
15 revenues for that calendar year.

16 (i) That the local governing body of the municipality in which
17 the facility is located approves the expansion or new location by
18 resolution.

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
28 the written agreement. Subject to subsection (6), in determining
29 the maximum amount and maximum duration of the withholding tax

1 capture revenues authorized, the fund shall consider the following
2 factors, if applicable:

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

4 (b) The degree to which the average annual wage of the
5 certified new jobs exceeds the prosperity region average wage.

6 (c) Whether there is a disadvantage to the eligible business
7 if it were to expand or locate in this state versus a site outside
8 this state.

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

11 (e) The estimated cost of the reimbursement of withholding tax
12 capture revenues under this chapter, the staff, financial, or
13 economic assistance provided by the municipality, or local economic
14 development corporation or similar entity, and the value of
15 assistance otherwise provided by this state.

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

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

23 (h) That the eligible business will make a good-faith effort
24 to employ, if qualified, Michigan residents at the facility.

25 (6) The fund shall determine the duration and amount of the
26 withholding tax capture revenues. In determining the duration of
27 the withholding tax capture revenues, the fund shall provide a
28 duration of up to 5 years for eligible businesses described in
29 section 90t(d) (i) (B) , (d) (ii) (B) , or (d) (iii) (B) and up to a duration

1 of 10 years for eligible businesses described in section
2 90t(d) (i) (A) or (C), (d) (ii) (A) or (C), or (d) (iii) (A) or (C). In
3 determining the amount of the withholding tax capture revenue
4 payments, the fund may approve a payment of not more than 50% of
5 the withholding tax capture revenues for an eligible business
6 described in section 90t(d) (i) (B), (d) (ii) (B), or (d) (iii) (B) and a
7 payment of up to 100% of the withholding tax capture revenues for
8 an eligible business described in section 90t(d) (i) (A) or (C),
9 (d) (ii) (A) or (C), or (d) (iii) (A) or (C). The amount of withholding
10 tax capture revenues certified to be paid to an authorized business
11 shall be reduced by 5%, which shall be retained by the fund for
12 additional administrative expenses under this chapter as provided
13 under section 90v.

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.

28 (e) A statement by the eligible business that a violation of
29 the written agreement may result in the revocation of the

1 designation as an authorized business, the loss or reduction of
2 future withholding tax capture revenue payments under this chapter,
3 or a repayment of withholding tax capture revenues received
4 pursuant to this chapter.

5 (f) A statement by the eligible business that a
6 misrepresentation in the application may result in the revocation
7 of the designation as an authorized business and the repayment of
8 withholding tax capture revenues received under this chapter plus a
9 penalty equal to 10% of the withholding tax capture revenue
10 payments received pursuant to this chapter.

11 (g) A method for measuring and verifying full-time jobs before
12 and after an expansion or location of an authorized business in
13 this state.

14 (h) A provision that the authorized business that is certified
15 under section 90v(2) for a payment from the employment opportunity
16 fund shall file the required returns and reports under this chapter
17 and part 3 of the income tax act of 1967, 1967 PA 281, MCL 206.701
18 to 206.713, with the department of treasury, and shall provide any
19 other information reasonably requested by the fund or the
20 department of treasury.

21 (i) A maximum amount of withholding tax capture revenues that
22 the authorized business may claim before reduction of the 5%
23 payment described in section 90v for administrative expenses.

24 (8) Upon execution of a written agreement as provided in this
25 chapter, an eligible business is an authorized business. The fund
26 shall provide a copy of each written agreement to the department of
27 treasury. Upon execution of the written agreement, the transfer and
28 payment of withholding tax capture revenues as specified in this
29 chapter and in the written agreement are binding on this state. The

1 state treasurer shall calculate, based on the written agreements
2 received pursuant to this subsection, the amount of withholding tax
3 capture revenues collected as a result of the certified new jobs
4 created pursuant to those written agreements for each calendar year
5 and the percentage of that amount that needs to be transferred from
6 the general fund and deposited, in accordance with section 51f of
7 the income tax act of 1967, 1967 PA 281, MCL 206.51f, into the
8 employment opportunity fund, where the fund shall issue payments to
9 the authorized business in the manner provided in section 90v.

10 (9) The fund shall not commit, and the department of treasury
11 shall not disburse, an amount of total withholding tax capture
12 revenues that exceeds \$300,000,000.00 which includes the 5% payment
13 for administrative expenses as provided in section 90v. The fund
14 shall not execute more than 40 new written agreements each calendar
15 year for authorized businesses. If the fund approves fewer than 40
16 written agreements in a calendar year, then any unused written
17 agreements shall carry forward into future calendar years, and
18 shall be in addition to the annual limit that is otherwise
19 applicable. The fund shall not approve more than 10 written
20 agreements each year for authorized businesses in a tier 1 county
21 that total more than \$125,000,000.00, 15 written agreements each
22 year for authorized businesses in a tier 2 county that total more
23 than \$100,000,000.00, or 15 written agreements each year for
24 authorized businesses in a tier 3 county that total more than
25 \$75,000,000.00. For purposes of this subsection, "total withholding
26 tax capture revenues" means the aggregate amount of withholding tax
27 capture revenues that may be distributed to authorized businesses
28 under all written agreements.

29 (10) The fund shall not designate an authorized business or

1 enter into a new written agreement on or after December 31, 2026.

2 Sec. 90v. (1) Subject to the limitations under section 90u(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 employment opportunity 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 employment opportunity 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 employment opportunity 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
28 business fails to comply with this chapter or the written
29 agreement. The forfeiture of a withholding tax capture revenue

1 payment under this subsection does not extend the duration of the
2 original written agreement. Accordingly, if the duration of the
3 written agreement has not expired, an authorized business that
4 satisfies all of the terms of the written agreement after a
5 forfeiture under this subsection is entitled to certification for
6 withholding tax capture revenue payments for those subsequent
7 calendar years.

8 (5) In the event of a proposed reorganization, merger, or
9 other change of ownership of the authorized business for which
10 reimbursement will continue pursuant to a written agreement, the
11 approval of the fund is required prior to the assignment or
12 transfer of the written agreement.

13 (6) The fund shall retain an amount equal to 5% of the
14 withholding tax capture revenue payments authorized for that year
15 for the fund. The board shall use the amount described in this
16 subsection to pay for the additional administration expenses under
17 this chapter. Each year, the Michigan strategic fund must
18 distribute not less than 50% of the amount received under this
19 subsection to the economic development organization that assisted
20 the eligible business in obtaining funding under this chapter.

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

27 Sec. 90w. (1) The employment opportunity fund is created
28 within the state treasury. The state treasurer may receive money or
29 other assets from any source for deposit into the fund. The state

1 treasurer shall direct the investment of the fund. The state
2 treasurer shall credit all amounts deposited pursuant to section
3 51f of the income tax act of 1967, 1967 PA 281, MCL 206.51f, to the
4 fund and shall credit to the fund any interest and earnings from
5 fund investments. Money in the fund at the close of the fiscal year
6 shall remain in the fund and shall not lapse to the general fund.

7 (2) The employment opportunity fund may be used only for 1 or
8 more of the following purposes:

9 (a) To make withholding tax capture revenue payments in
10 accordance with a written agreement to an authorized business
11 within 90 days after receipt of a request for payment and a copy of
12 the withholding certificate issued under section 90v.

13 (b) To distribute an amount equal to 5% of the withholding tax
14 capture revenue payments certified under section 90v to the
15 Michigan strategic fund to pay for administration expenses as
16 provided in this chapter.