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**House of Representatives**  
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REGULAR SESSION OF 2011

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House Chamber, Lansing, Wednesday, April 27, 2011.

1:30 p.m.

The House was called to order by the Speaker.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Agema—present	Gilbert—present	Lipton—present	Pscholka—present
Ananich—present	Glardon—present	Liss—present	Rendon—present
Barnett—present	Goike—present	Lori—present	Rogers—present
Bauer—present	Haines—present	Lund—present	Rutledge—excused
Bledsoe—present	Hammel—present	Lyons—present	Santana—present
Bolger—present	Haugh—present	MacGregor—present	Schmidt, R.—present
Brown—present	Haveman—present	MacMaster—present	Schmidt, W.—present
Brunner—present	Heise—present	McCann—present	Scott—present
Bumstead—present	Hobbs—present	McBroom—present	Segal—present
Byrum—present	Hooker—present	McMillin—present	Shaughnessy—present
Callton—present	Horn—present	Meadows—present	Shirkey—present
Cavanagh—present	Hovey-Wright—present	Melton—present	Slavens—present
Clemente—present	Howze—present	Moss—present	Smiley—present
Constan—present	Hughes—present	Muxlow—present	Somerville—present
Cotter—present	Huuki—present	Nathan—present	Stallworth—present
Crawford—present	Irwin—present	Nesbitt—present	Stamas—present
Daley—present	Jackson—present	O'Brien—present	Stanley—present
Damrow—present	Jacobsen—present	Oakes—present	Stapleton—present
Darany—present	Jenkins—present	Olson—present	Switalski—present
Darby—present	Johnson—present	Olumba—present	Talabi—present
Dillon—present	Kandrevas—present	Opsommer—present	Tlaib—present
Durhal—present	Knollenberg—present	Ouimet—present	Townsend—present
Farrington—present	Kowall—present	Outman—present	Tyler—present
Forlini—present	Kurtz—present	Pettalia—present	Walsh—present
Foster—present	LaFontaine—present	Poleski—present	Womack—present
Franz—present	Lane—present	Potvin—present	Yonker—present
Geiss—present	LeBlanc—present	Price—present	Zorn—present
Genetski—present	Lindberg—present		

e/d/s = entered during session

Rev. Douglas M. Ogden, Pastor of Lebanon Lutheran Church in Whitehall, offered the following invocation:

“God, the source of all goodness and grace, made known in Son and Prophet,

We thank You for those who are passionate about providing meaningful work for others and we thank You for those passionate for education for others.

We thank You for legislators who tend to the quality of life before it is born, and for legislators who tend to the quality of life after.

We thank You for those who have never burned a book, and we thank You for those everywhere are learning to read them. Bless the schools, colleges and universities and centers of research. Bestow on them such wisdom that people everywhere may take delight in what is yet to come.

For those who serve others in their meaningful work: for the assistants in this great house, for its pages, and secretaries, interns and the janitors who daily get the last word. Be with those who have no house, nor family to make a house a home. Bless the farmers the commerce and industry, the arts, and especially those whose work is dangerous.

Take from us all hatred prejudice racism, sexism, religious arrogance, fears of every kind. Give us a spirit of love so that our days create peace. Preserve our nation and state in advancing liberty, doing justice, for all, especially to the President of the United States, the Governor of this State, and all who make its laws.

Humbly we thank You for the grace to see past ourselves, our own self-interest, to behold resurrection, and passing over and transcendence in the care of Your creation. Give hope and courage to those who watch over those who are ill. Especially those whose family members are here in this house.

Wa asalaam alaikum, shalom atah, peace to all, in this land and for all lands.

The Lord bless your coming in to this chamber and your going out from this time forth forever more.”

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Rep. Segal moved that Rep. Rutledge be excused from today’s session.  
The motion prevailed.

### Reports of Standing Committees

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4361, entitled**

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending the title and sections 2, 4, 6, 24, 26, 28, 30, 30f, 36, 51, 51a, 52, 91, 102, 103, 105, 110, 115, 132, 195, 201, 251, 255, 256, 265, 266, 270, 271, 278, 301, 311, 315, 322, 325, 351, 355, 365, 402, 408, 451, 455, 471, 475, 510, 512, 514, 520, 522, 526, 527a, 530, and 532 (MCL 206.2, 206.4, 206.6, 206.24, 206.26, 206.28, 206.30, 206.30f, 206.36, 206.51, 206.51a, 206.52, 206.91, 206.102, 206.103, 206.105, 206.110, 206.115, 206.132, 206.195, 206.201, 206.251, 206.255, 206.256, 206.265, 206.266, 206.270, 206.271, 206.278, 206.301, 206.311, 206.315, 206.322, 206.325, 206.351, 206.355, 206.365, 206.402, 206.408, 206.451, 206.455, 206.471, 206.475, 206.510, 206.512, 206.514, 206.520, 206.522, 206.526, 206.527a, 206.530, and 206.532), section 4 as amended by 2003 PA 52, section 26 as amended by 2003 PA 50, section 30 as amended by 2009 PA 134, section 30f as added by 2000 PA 163, sections 51 and 270 as amended by 2007 PA 94, sections 51a, 255, 256, 301, and 475 as amended by 1996 PA 484, section 52 as added by 1988 PA 1, section 110 as amended by 2003 PA 21, section 265 as amended by 1998 PA 19, section 266 as amended by 2008 PA 447, section 278 as added by 2010 PA 235, section 311 as amended by 2004 PA 199, section 315 as amended by 2003 PA 49, sections 325 and 514 as amended by 1987 PA 254, sections 351, 355, and 365 as amended by 2008 PA 360, section 402 as added and section 408 as amended by 1980 PA 169, section 451 as amended by 2003 PA 46, section 471 as amended by 2002 PA 486, sections 510 and 520 as amended by 1995 PA 245, section 512 as amended by 2003 PA 29, section 522 as amended by 2000 PA 41, section 527a as amended by 2004 PA 335, and section 530 as amended by 1982 PA 480, by designating sections 1 to 532 as part 1, and by adding section 421 and part 2; and to repeal acts and parts of acts.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

### Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O’Brien, Olson and Ouimet

Nays: Reps. Constan, Barnett, Kandreas, Meadows, Townsend, Cavanagh and Hobbs

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4362, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending sections 107 and 117 (MCL 208.1107 and 208.1117), section 117 as amended by 2009 PA 142, and by adding section 500; and to repeal acts and parts of acts.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson and Ouimet

Nays: Reps. Constan, Barnett, Kandrevas, Meadows, Townsend, Cavanagh and Hobbs

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4479, entitled**

A bill to amend 1969 PA 343, entitled "An act to adopt a multistate tax compact to facilitate and promote convenient, uniform, nonduplicative and proper determination of state and local tax liability of multistate taxpayers," by amending section 1 (MCL 205.581).

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson and Ouimet

Nays: Reps. Constan, Barnett, Kandrevas, Meadows, Townsend, Cavanagh and Hobbs

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4480, entitled**

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending section 40 (MCL 38.40), as amended by 2002 PA 99.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson and Ouimet

Nays: Reps. Constan, Barnett, Kandrevas, Meadows, Townsend, Cavanagh and Hobbs

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4481, entitled**

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending section 46 (MCL 38.1346), as amended by 2002 PA 94.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson and Ouimet

Nays: Reps. Constan, Barnett, Kandrevas, Meadows, Townsend, Cavanagh and Hobbs

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4482, entitled**

A bill to amend 1957 PA 261, entitled "Michigan legislative retirement system act," by amending section 57 (MCL 38.1057), as amended by 2002 PA 97.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson, Ouimet, Constan, Barnett, Meadows, Townsend, Cavanagh and Hobbs

Nays: None

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4483, entitled**

A bill to amend 1927 PA 339, entitled "An act to authorize the establishment of a system of retiring allowances for employes of public libraries now existing or which may hereafter be established in incorporated cities of 250,000 population or more," by amending section 5 (MCL 38.705).

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson and Ouimet

Nays: Reps. Constan, Barnett, Kandrevas, Meadows, Townsend, Cavanagh and Hobbs

The Committee on Tax Policy, by Rep. Gilbert, Chair, reported

**House Bill No. 4484, entitled**

A bill to amend 1992 PA 234, entitled "The judges retirement act of 1992," by amending section 720 (MCL 38.2670), as amended by 2002 PA 95.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson and Ouimet

Nays: Reps. Constan, Barnett, Meadows, Townsend, Cavanagh and Hobbs

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Gilbert, Chair, of the Committee on Tax Policy, was received and read:

Meeting held on: Wednesday, April 27, 2011

Present: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson, Ouimet, Constan, Barnett, Kandrevas, Meadows, Townsend, Cavanagh and Hobbs

By unanimous consent the House returned to the order of

**Motions and Resolutions**

Reps. Switalski, Barnett, Bauer, Brown, Constan, Crawford, Darany, Haugh, Heise, Knollenberg, LeBlanc, Liss, McCann and Slavens offered the following resolution:

**House Resolution No. 66.**

A resolution to declare May 2011 as Asian Pacific Heritage Month in the state of Michigan.

Whereas, We are proud to join with the Asian Pacific American community of Michigan and their families and friends as they celebrate contributions they have made throughout the entire state. This recognition is a reflection of unselfishness and commitment to the common good that is most commendable; and

Whereas, It is with pride and gratitude that we welcome this opportunity to salute the many ways in which the Asian Pacific community has given its time and energy to help in time of need; and

Whereas, Like their counterparts across the country, the Asian Pacific American community in Michigan is committed to strengthening our public institutions, as well as eliminating prejudices, stereotypes, and ignorance. They accomplish this goal by fostering understanding and promoting awareness of Asian Pacific contributions to social, economic, cultural, and political life in the United States. Their professional and civic involvement will continue to enrich our state far into the twenty-first century; and

Whereas, The heritage of the Asian Pacific people enrich our own culture; for America is a melting pot, and America's culture is a rich blend of many cultures. This legislative body welcomes the heritage, culture, and contributions of the Asian Pacific American community to our state and our nation; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare May 2011 as Asian Pacific Heritage Month in the state of Michigan. We recognize the contributions that the Asian Pacific American community of our state has made.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Brown, Slavens, Hovey-Wright, Liss, Bauer, Darany, Howze, Barnett, Constan, Crawford, Denby, Dillon, Haugh, Heise, Hooker, LeBlanc, McCann, Poleski, Stamas and Tyler offered the following resolution:

**House Resolution No. 67.**

A resolution to declare the week of May 1 through May 7, 2011, as Teacher Appreciation Week in the state of Michigan.

Whereas, A strong, effective system of free public school education for all children and youth is essential to our democratic system of government; and

Whereas, The United States of America and the state of Michigan have made considerable progress in the social, technological and scientific fields due to our system of free and universal public education; and

Whereas, Much of this progress can be attributed to the qualified and dedicated teachers entrusted with the educational development of our children; and

Whereas, Teachers should be accorded high esteem, reflecting the value our community places on public education; and

Whereas, The importance and impact of teachers on children is known nationwide; and

Whereas, It is appropriate that teachers be recognized for their dedication and commitment to educating their students; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare the week of May 1 through May 7, 2011, as Teacher Appreciation Week in the state of Michigan.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Brown, Hovey-Wright, Slavens, Liss, Darany, Howze, Geiss, Santana, Segal, Barnett, Constan, Crawford, Denby, Haugh, Heise, LeBlanc, McCann, Poleski and Tyler offered the following resolution:

**House Resolution No. 68.**

A resolution to declare May 2011 as Mental Health Month in the state of Michigan.

Whereas, Mental health is essential to everyone's overall health and well-being; and

Whereas, One in four American adults and children are affected by a mental illness; and

Whereas, Mental disorders collectively make mental illness the most prevalent health problem in America today-more common than cancer, lung, and heart disease combined; and

Whereas, People with mental illness can recover and lead full, productive lives; and

Whereas, Fewer than one-half of adults and one-third of children with mental health problems are not getting the help they need; and

Whereas, Untreated or undertreated mental illness costs public and private employers billions of dollars annually through absenteeism, turnover, low productivity, and increased medical costs; and

Whereas, Michigan has made a commitment to community-based systems of mental health care in which all residents can receive high-quality and consumer-responsive services; and

Whereas, The National Mental Health Association, the National Council for Community Behavioral Healthcare, and their national partners annually observe Mental Health Month in May to raise awareness and understanding of mental health and illness; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare May 2011 as Mental Health Month in the state of Michigan. We encourage all citizens, government agencies, public and private institutions, businesses, and schools to recommit our state to increasing awareness and understanding of mental illness and the need for appropriate and accessible services for all people with mental illnesses; and be it further

Resolved, That a copy of this resolution be transmitted to the Michigan Mental Health Association in support of their mission.

The question being on the adoption of the resolution,

The resolution was adopted.

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The Speaker called the Speaker Pro Tempore to the Chair.

### Reports of Standing Committees

The Speaker laid before the House

#### House Resolution No. 57.

A resolution to urge the Secretary of the United States Department of Health and Human Services to continue the Perinatology Research Branch facility in Detroit, Michigan.

(For text of resolution, see House Journal No. 32, p. 446.)

(The resolution was reported by the Committee on Health Policy on April 14.)

The question being on the adoption of the resolution,

The resolution was adopted.

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Rep. Segal moved that Rep. Tlaib be excused from the balance of today's session.

The motion prevailed.

### Third Reading of Bills

#### House Bill No. 4415, entitled

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending section 68c (MCL 38.68c), as amended by 2010 PA 185.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

#### Roll Call No. 83

#### Yeas—108

Agema	Genetski	LeBlanc	Potvin
Ananich	Gilbert	Lindberg	Price
Barnett	Glardon	Lipton	Pscholka
Bauer	Goike	Liss	Rendon
Bledsoe	Haines	Lori	Rogers
Bolger	Hammel	Lund	Santana
Brown	Haugh	Lyons	Schmidt, R.
Brunner	Haveman	MacGregor	Schmidt, W.
Bumstead	Heise	MacMaster	Scott
Byrum	Hobbs	McBroom	Segal
Callton	Hooker	McCann	Shaughnessy

Cavanagh	Horn	McMillin	Shirkey
Clemente	Hovey-Wright	Meadows	Slavens
Constan	Howze	Melton	Smiley
Cotter	Hughes	Moss	Somerville
Crawford	Huuki	Muxlow	Stallworth
Daley	Irwin	Nathan	Stamas
Damrow	Jackson	Nesbitt	Stanley
Darany	Jacobsen	O'Brien	Stapleton
Denby	Jenkins	Oakes	Switalski
Dillon	Johnson	Olson	Talabi
Durhal	Kandrevas	Olumba	Townsend
Farrington	Knollenberg	Opsommer	Tyler
Forlini	Kowall	Ouimet	Walsh
Foster	Kurtz	Outman	Womack
Franz	LaFontaine	Pettalia	Yonker
Geiss	Lane	Poleski	Zorn

**Nays—0**

In The Chair: Walsh

The House agreed to the title of the bill.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

**House Bill No. 4441, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 22208 and 22223 (MCL 333.22208 and 333.22223), section 22208 as amended by 1993 PA 88 and section 22223 as added by 1988 PA 332; and to repeal acts and parts of acts.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 84****Yeas—104**

Agema	Geiss	LeBlanc	Price
Ananich	Gilbert	Lindberg	Pscholka
Barnett	Glardon	Lipton	Rendon
Bauer	Goike	Liss	Rogers
Bledsoe	Haines	Lori	Santana
Bolger	Hammel	Lund	Schmidt, R.
Brown	Haugh	Lyons	Schmidt, W.
Brunner	Haveman	MacGregor	Scott
Bumstead	Heise	McBroom	Segal
Byrum	Hobbs	McCann	Shaughnessy
Callton	Hooker	McMillin	Shirkey
Cavanagh	Horn	Meadows	Slavens
Clemente	Hovey-Wright	Melton	Smiley
Constan	Howze	Moss	Somerville
Cotter	Hughes	Muxlow	Stallworth
Crawford	Huuki	Nathan	Stamas
Daley	Irwin	Nesbitt	Stanley
Damrow	Jackson	O'Brien	Stapleton
Darany	Jacobsen	Oakes	Switalski
Denby	Johnson	Olson	Talabi



Dillon	Kandrevas	Olumba	Townsend
Durhal	Knollenberg	Opsommer	Tyler
Farrington	Kowall	Ouimet	Walsh
Forlini	Kurtz	Outman	Womack
Foster	LaFontaine	Pettalia	Yonker
Franz	Lane	Poleski	Zorn

**Nays—4**

Genetski	Jenkins	MacMaster	Potvin
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In The Chair: Walsh

The question being on agreeing to the title of the bill,

Rep. Stamas moved to amend the title to read as follows:

A bill to amend 1978 PA 368, entitled “Public health code,” by amending sections 22208 and 22210 (MCL 333.22208 and 333.22210), section 22208 as amended by 1993 PA 88 and section 22210 as amended by 2006 PA 195.

The motion prevailed.

The House agreed to the title as amended.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

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Rep. MacMaster, having reserved the right to explain his protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

I voted against House Bills 4441-42 & 43 because they could increase costs for Medicaid and Medicare, creating an additional burden on Michigan taxpayers. As a state, we should find ways to reduce costs associated with Medicaid and Medicare.

The legislation also could put Michigan nursing homes at a distinct disadvantage, and affect jobs in my local area.

Because of these concerns, I cannot vote in favor of this legislation as it is currently written.”

**House Bill No. 4442, entitled**

A bill to amend 1969 PA 306, entitled “Administrative procedures act of 1969,” by amending section 7 (MCL 24.207), as amended by 2000 PA 216.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 85****Yeas—104**

Agema	Geiss	LeBlanc	Price
Ananich	Gilbert	Lindberg	Pscholka
Barnett	Glardon	Lipton	Rendon
Bauer	Goike	Liss	Rogers
Bledsoe	Haines	Lori	Santana
Bolger	Hammel	Lund	Schmidt, R.
Brown	Haugh	Lyons	Schmidt, W.
Brunner	Haveman	MacGregor	Scott
Bumstead	Heise	McBroom	Segal
Byrum	Hobbs	McCann	Shaughnessy



Callton	Hooker	McMillin	Shirkey
Cavanagh	Horn	Meadows	Slavens
Clemente	Hovey-Wright	Melton	Smiley
Constan	Howze	Moss	Somerville
Cotter	Hughes	Muxlow	Stallworth
Crawford	Huuki	Nathan	Stamas
Daley	Irwin	Nesbitt	Stanley
Damrow	Jackson	O'Brien	Stapleton
Darany	Jacobsen	Oakes	Switalski
Denby	Johnson	Olson	Talabi
Dillon	Kandrevas	Olumba	Townsend
Durhal	Knollenberg	Opsommer	Tyler
Farrington	Kowall	Ouimet	Walsh
Forlini	Kurtz	Outman	Womack
Foster	LaFontaine	Pettalia	Yonker
Franz	Lane	Poleski	Zorn

**Nays—4**

Genetski	Jenkins	MacMaster	Potvin
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In The Chair: Walsh

The House agreed to the title of the bill.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. MacMaster, having reserved the right to explain his protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

I voted against House Bills 4441-42 & 43 because they could increase costs for Medicaid and Medicare, creating an additional burden on Michigan taxpayers. As a state, we should find ways to reduce costs associated with Medicaid and Medicare.

The legislation also could put Michigan nursing homes at a distinct disadvantage, and affect jobs in my local area.

Because of these concerns, I cannot vote in favor of this legislation as it is currently written.”

**House Bill No. 4443, entitled**

A bill to amend 1939 PA 280, entitled “The social welfare act,” by amending section 109 (MCL 400.109), as amended by 2006 PA 576.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 86****Yeas—104**

Agema	Geiss	LeBlanc	Price
Ananich	Gilbert	Lindberg	Pscholka
Barnett	Glardon	Lipton	Rendon
Bauer	Goike	Liss	Rogers
Bledsoe	Haines	Lori	Santana



Rep. Slavens moved to substitute (H-1) the bill.

The motion did not prevail and the substitute (H-1) was not adopted, a majority of the members serving not voting therefor.

Rep. Kurtz moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**House Bill No. 4382, entitled**

A bill to amend 1935 PA 220, entitled "An act to provide family home care for children committed to the care of the state, to create the Michigan children's institute under the control of the Michigan social welfare commission, to prescribe the powers and duties thereof, and to provide penalties for violations of certain provisions of this act," by amending section 9 (MCL 400.209), as amended by 2004 PA 470.

The bill was read a second time.

Rep. Slavens moved to substitute (H-1) the bill.

The motion did not prevail and the substitute (H-1) was not adopted, a majority of the members serving not voting therefor.

Rep. Rendon moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**House Bill No. 4383, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 19c (MCL 712A.19c), as amended by 2008 PA 203.

The bill was read a second time.

Rep. Slavens moved to substitute (H-1) the bill.

The motion did not prevail and the substitute (H-1) was not adopted, a majority of the members serving not voting therefor.

Rep. Heise moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

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Rep. Segal moved that Rep. Stallworth be excused temporarily from today's session.

The motion prevailed.

**House Bill No. 4361, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending the title and sections 2, 4, 6, 24, 26, 28, 30, 30f, 36, 51, 51a, 52, 91, 102, 103, 105, 110, 115, 132, 195, 201, 251, 255, 256, 265, 266, 270, 271, 278, 301, 311, 315, 322, 325, 351, 355, 365, 402, 408, 451, 455, 471, 475, 510, 512, 514, 520, 522, 526, 527a, 530, and 532 (MCL 206.2, 206.4, 206.6, 206.24, 206.26, 206.28, 206.30, 206.30f, 206.36, 206.51, 206.51a, 206.52, 206.91, 206.102, 206.103, 206.105, 206.110, 206.115, 206.132, 206.195, 206.201, 206.251, 206.255, 206.256, 206.265, 206.266, 206.270, 206.271, 206.278, 206.301, 206.311, 206.315, 206.322, 206.325, 206.351, 206.355, 206.365, 206.402, 206.408, 206.451, 206.455, 206.471, 206.475, 206.510, 206.512, 206.514, 206.520, 206.522, 206.526, 206.527a, 206.530, and 206.532), section 4 as amended by 2003 PA 52, section 26 as amended by 2003 PA 50, section 30 as amended by 2009 PA 134, section 30f as added by 2000 PA 163, sections 51 and 270 as amended by 2007 PA 94, sections 51a, 255, 256, 301, and 475 as amended by 1996 PA 484, section 52 as added by 1988 PA 1, section 110 as amended by 2003 PA 21, section 265 as amended by 1998 PA 19, section 266 as amended by 2008 PA 447, section 278 as added by 2010 PA 235, section 311 as amended by 2004 PA 199, section 315 as amended by 2003 PA 49, sections 325 and 514 as amended by 1987 PA 254, sections 351, 355, and 365 as amended by 2008 PA 360, section 402 as added and section 408 as amended by 1980 PA 169, section 451 as amended by 2003 PA 46, section 471 as amended by 2002 PA 486, sections 510 and 520 as amended by 1995 PA 245, section 512 as amended by 2003 PA 29, section 522 as amended by 2000 PA 41, section 527a as amended by 2004 PA 335, and section 530 as amended by 1982 PA 480, by designating sections 1 to 532 as part 1, and by adding section 421 and part 2; and to repeal acts and parts of acts.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Tax Policy,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Gilbert moved to amend the bill as follows:

1. Amend page 27, line 6, after “\$200,000.00.” by striking out the balance of the subsection.
2. Amend page 29, line 23, after “APPLY” by striking out the balance of the sentence and inserting a period.
3. Amend page 30, following line 16, by inserting:

“(10) AS USED IN THIS SECTION, “TOTAL HOUSEHOLD RESOURCES” MEANS THAT TERM AS DEFINED IN CHAPTER 9.”.

4. Amend page 85, line 21, after “LOSS” by striking out the balance of the sentence and inserting “AFTER NETTING ALL BUSINESS INCOME AND LOSS, PLUS ANY NET RENTAL OR ROYALTY LOSS, PLUS ANY DEDUCTION FROM FEDERAL ADJUSTED GROSS INCOME FOR A CARRYBACK OR CARRYFORWARD OF A NET OPERATING LOSS AS DEFINED IN SECTION 172(B)(2) OF THE INTERNAL REVENUE CODE.”.

5. Amend page 88, line 23, after “HOMESTEAD” by striking out “ON DECEMBER 31”.

6. Amend page 95, line 17, after “is” by inserting “a senior citizen or”.

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

Rep. Meadows moved to amend the bill as follows:

1. Amend page 6, line 22, after “income” by striking out the balance of the line through “(9)” on line 23.
2. Amend page 29, line 5, by striking out all of subsection (9).

The question being on the adoption of the amendments offered by Rep. Meadows,

Rep. Meadows demanded the yeas and nays.

The demand was not supported.

The question being on the adoption of the amendments offered by Rep. Meadows,

The amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Cavanagh moved to amend the bill as follows:

1. Amend page 59, line 1, by striking out all of section 272.

The question being on the adoption of the amendment offered by Rep. Cavanagh,

Rep. Cavanagh demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Rep. Cavanagh,

The amendment was not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

#### Roll Call No. 87

#### Yeas—48

Ananich	Durhal	LaFontaine	Rendon
Barnett	Geiss	Lane	Santana
Bauer	Hammel	LeBlanc	Schmidt, R.
Bledsoe	Haugh	Lindberg	Segal
Brown	Hobbs	Lipton	Slavens
Brunner	Hovey-Wright	Liss	Smiley
Byrum	Howze	McCann	Stanley
Cavanagh	Hughes	Meadows	Stapleton
Clemente	Irwin	Melton	Switalski
Constan	Jackson	Nathan	Talabi
Darany	Jenkins	Oakes	Townsend
Dillon	Kandrevas	Olumba	Womack

#### Nays—59

Agema	Glaridon	Lyons	Potvin
Bolger	Goike	MacGregor	Price

Bumstead	Haines	MacMaster	Pscholka
Callton	Haveman	McBroom	Rogers
Cotter	Heise	McMillin	Schmidt, W.
Crawford	Hooker	Moss	Scott
Daley	Horn	Muxlow	Shaughnessy
Damrow	Huuki	Nesbitt	Shirkey
Denby	Jacobsen	O'Brien	Somerville
Farrington	Johnson	Olson	Stamas
Forlini	Knollenberg	Opsommer	Tyler
Foster	Kowall	Ouimet	Walsh
Franz	Kurtz	Outman	Yonker
Genetski	Lori	Pettalia	Zorn
Gilbert	Lund	Poleski	

In The Chair: Walsh

Rep. Constan moved to amend the bill as follows:

1. Amend page 183, line 21, after "257," by striking out "260,".
2. Amend page 183, line 25, by striking out "206.260,".

The question being on the adoption of the amendments offered by Rep. Constan,

Rep. Constan demanded the yeas and nays.

The demand was not supported.

The question being on the adoption of the amendments offered by Rep. Constan,

The amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Hobbs moved to amend the bill as follows:

1. Amend page 183, line 21, after "260," by striking out "261,".
2. Amend page 183, line 25, after "206.260," by striking out "206.261,".

The question being on the adoption of the amendments offered by Rep. Hobbs,

Rep. Hobbs demanded the yeas and nays.

The demand was not supported.

The question being on the adoption of the amendments offered by Rep. Hobbs,

The amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Townsend moved to amend the bill as follows:

1. Amend page 177, following line 12, by inserting:

**"SEC. 680A. (1) SUBJECT TO THE CRITERIA UNDER THIS SECTION, A QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS PART AS PROVIDED IN THIS SECTION.**

**(2) IF THE COST OF A PROJECT WILL BE \$2,000,000.00 OR LESS, A QUALIFIED TAXPAYER SHALL APPLY TO THE MICHIGAN ECONOMIC GROWTH AUTHORITY FOR APPROVAL OF THE PROJECT UNDER THIS SUBSECTION. AN APPLICATION UNDER THIS SUBSECTION SHALL STATE WHETHER THE PROJECT IS A MULTIPHASE PROJECT. SUBJECT TO THE LIMITATION PROVIDED UNDER THIS SECTION, THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE IS AUTHORIZED TO APPROVE AN APPLICATION OR PROJECT UNDER THIS SUBSECTION. ONLY THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY IS AUTHORIZED TO DENY AN APPLICATION OR PROJECT UNDER THIS SUBSECTION. A PROJECT SHALL BE APPROVED OR DENIED NOT MORE THAN 45 DAYS AFTER RECEIPT OF THE APPLICATION. IF THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE DOES NOT APPROVE OR DENY THE APPLICATION WITHIN 45 DAYS AFTER THE APPLICATION IS RECEIVED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY, THE APPLICATION IS CONSIDERED APPROVED AS WRITTEN. IF THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE APPROVES A PROJECT UNDER THIS SUBSECTION, THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE SHALL ISSUE A PREAPPROVAL LETTER THAT STATES THAT THE TAXPAYER IS A QUALIFIED TAXPAYER; THE MAXIMUM TOTAL ELIGIBLE INVESTMENT FOR THE PROJECT ON WHICH CREDITS MAY BE CLAIMED AND THE MAXIMUM TOTAL OF ALL CREDITS FOR THE PROJECT WHEN THE PROJECT IS COMPLETED AND A CERTIFICATE OF COMPLETION IS ISSUED; AND THE PROJECT NUMBER ASSIGNED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY. IF A**

**PROJECT IS DENIED UNDER THIS SUBSECTION, A TAXPAYER IS NOT PROHIBITED FROM SUBSEQUENTLY APPLYING UNDER THIS SUBSECTION FOR THE SAME PROJECT OR FOR ANOTHER PROJECT. THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL DEVELOP AND IMPLEMENT THE USE OF THE APPLICATION FORM TO BE USED FOR PROJECTS UNDER THIS SUBSECTION.**

**(3) IF THE COST OF A PROJECT WILL BE FOR MORE THAN \$2,000,000.00 BUT \$10,000,000.00 OR LESS, A QUALIFIED TAXPAYER SHALL APPLY TO THE MICHIGAN ECONOMIC GROWTH AUTHORITY FOR APPROVAL OF THE PROJECT UNDER THIS SUBSECTION. AN APPLICATION UNDER THIS SUBSECTION SHALL STATE WHETHER THE PROJECT IS A MULTIPHASE PROJECT. SUBJECT TO THE LIMITATION PROVIDED UNDER THIS SECTION, THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE IS AUTHORIZED TO APPROVE AN APPLICATION OR PROJECT UNDER THIS SUBSECTION. ONLY THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY IS AUTHORIZED TO DENY AN APPLICATION OR PROJECT UNDER THIS SUBSECTION. A PROJECT SHALL BE APPROVED OR DENIED NOT MORE THAN 45 DAYS AFTER RECEIPT OF THE APPLICATION. IF THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE DOES NOT APPROVE OR DENY AN APPLICATION WITHIN 45 DAYS AFTER THE APPLICATION IS RECEIVED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY, THE APPLICATION IS CONSIDERED APPROVED AS WRITTEN. THE CRITERIA IN SUBSECTION (7) SHALL BE USED WHEN APPROVING PROJECTS UNDER THIS SUBSECTION. WHEN APPROVING PROJECTS UNDER THIS SUBSECTION, PRIORITY SHALL BE GIVEN TO PROJECTS ON A FACILITY. THE TOTAL OF ALL CREDITS FOR AN APPROVED PROJECT UNDER THIS SUBSECTION SHALL NOT EXCEED THE AMOUNTS AUTHORIZED UNDER SECTION 437(1)(A) OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1437. A TAXPAYER MAY APPLY UNDER THIS SUBSECTION INSTEAD OF SUBSECTION (4) FOR APPROVAL OF A PROJECT THAT WILL BE FOR MORE THAN \$10,000,000.00, BUT THE TOTAL OF ALL CREDITS FOR THAT PROJECT SHALL NOT EXCEED THE AMOUNTS AUTHORIZED UNDER SECTION 437(1)(A) OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1437. IF THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE APPROVES A PROJECT UNDER THIS SUBSECTION, THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE SHALL ISSUE A PREAPPROVAL LETTER THAT STATES THAT THE TAXPAYER IS A QUALIFIED TAXPAYER; THE MAXIMUM TOTAL ELIGIBLE INVESTMENT FOR THE PROJECT ON WHICH CREDITS MAY BE CLAIMED AND THE MAXIMUM TOTAL OF ALL CREDITS FOR THE PROJECT WHEN THE PROJECT IS COMPLETED AND A CERTIFICATE OF COMPLETION IS ISSUED; AND THE PROJECT NUMBER ASSIGNED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY. IF A PROJECT IS DENIED UNDER THIS SUBSECTION, A TAXPAYER IS NOT PROHIBITED FROM SUBSEQUENTLY APPLYING UNDER THIS SUBSECTION OR SUBSECTION (4) FOR THE SAME PROJECT OR FOR ANOTHER PROJECT.**

**(4) IF THE COST OF A PROJECT WILL BE FOR MORE THAN \$10,000,000.00 AND, EXCEPT AS PROVIDED IN THIS SECTION, THE PROJECT IS LOCATED IN A QUALIFIED LOCAL GOVERNMENTAL UNIT, A QUALIFIED TAXPAYER SHALL APPLY TO THE MICHIGAN ECONOMIC GROWTH AUTHORITY FOR APPROVAL OF THE PROJECT. AN APPLICATION UNDER THIS SUBSECTION SHALL STATE WHETHER THE PROJECT IS A MULTIPHASE PROJECT. THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL APPROVE OR DENY THE PROJECT NOT MORE THAN 65 DAYS AFTER RECEIPT OF THE APPLICATION. A PROJECT UNDER THIS SUBSECTION SHALL NOT BE APPROVED WITHOUT THE CONCURRENCE OF THE STATE TREASURER. IF THE MICHIGAN ECONOMIC GROWTH AUTHORITY DOES NOT APPROVE OR DENY THE APPLICATION WITHIN 65 DAYS AFTER IT RECEIVES THE APPLICATION, THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL SEND THE APPLICATION TO THE STATE TREASURER. THE STATE TREASURER SHALL APPROVE OR DENY THE APPLICATION WITHIN 5 DAYS AFTER RECEIPT OF THE APPLICATION. IF THE STATE TREASURER DOES NOT DENY THE APPLICATION WITHIN 5 DAYS AFTER RECEIPT OF THE APPLICATION, THE APPLICATION IS CONSIDERED APPROVED. THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL APPROVE A LIMITED NUMBER OF PROJECTS UNDER THIS SUBSECTION DURING EACH CALENDAR YEAR AS PROVIDED IN SUBSECTION (6). THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL USE THE CRITERIA IN SUBSECTION (7) WHEN APPROVING PROJECTS UNDER THIS SUBSECTION, WHEN DETERMINING THE TOTAL AMOUNT OF ELIGIBLE INVESTMENT, AND WHEN DETERMINING THE PERCENTAGE OF ELIGIBLE INVESTMENT FOR THE PROJECT TO BE USED TO CALCULATE A CREDIT. THE TOTAL OF ALL CREDITS FOR AN APPROVED PROJECT UNDER THIS SUBSECTION SHALL NOT EXCEED THE AMOUNT DESIGNATED IN THE PREAPPROVAL LETTER, AS AMENDED, FOR THAT PROJECT. IF THE MICHIGAN ECONOMIC GROWTH AUTHORITY APPROVES A PROJECT UNDER THIS SUBSECTION, THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL ISSUE A PREAPPROVAL LETTER THAT STATES THAT THE TAXPAYER IS A QUALIFIED TAXPAYER; THE PERCENTAGE OF ELIGIBLE INVESTMENT FOR THE PROJECT; THE MAXIMUM TOTAL ELIGIBLE INVESTMENT FOR THE PROJECT ON WHICH CREDITS MAY BE CLAIMED**



AND THE MAXIMUM TOTAL OF ALL CREDITS FOR THE PROJECT WHEN THE PROJECT IS COMPLETED AND A CERTIFICATE OF COMPLETION IS ISSUED; AND THE PROJECT NUMBER ASSIGNED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY. THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL SEND A COPY OF THE PREAPPROVAL LETTER TO THE DEPARTMENT. IF A PROJECT IS DENIED UNDER THIS SUBSECTION, A TAXPAYER IS NOT PROHIBITED FROM SUBSEQUENTLY APPLYING UNDER THIS SUBSECTION OR SUBSECTION (3) FOR THE SAME PROJECT OR FOR ANOTHER PROJECT.

(5) IF THE PROJECT IS ON PROPERTY THAT IS FUNCTIONALLY OBSOLETE, THE TAXPAYER SHALL INCLUDE WITH THE APPLICATION AN AFFIDAVIT SIGNED BY A LEVEL 3 OR LEVEL 4 ASSESSOR, THAT STATES THAT IT IS THE ASSESSOR'S EXPERT OPINION THAT THE PROPERTY IS FUNCTIONALLY OBSOLETE AND THE UNDERLYING BASIS FOR THAT OPINION.

(6) THE MICHIGAN ECONOMIC GROWTH AUTHORITY MAY APPROVE NOT MORE THAN 17 PROJECTS FOR EACH CALENDAR YEAR UNDER SUBSECTION (4), AND THE FOLLOWING LIMITATIONS APPLY:

(A) OF THE PROJECTS ALLOWED UNDER THIS SUBSECTION, UP TO 3 PROJECTS MAY BE APPROVED FOR PROJECTS THAT ARE NOT IN A QUALIFIED LOCAL GOVERNMENTAL UNIT IF THE PROPERTY IS A FACILITY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED IN A BROWNFIELD PLAN OR, FOR 1 OF THE 3 PROJECTS, IF THE PROPERTY IS NOT A FACILITY BUT IS FUNCTIONALLY OBSOLETE OR BLIGHTED, PROPERTY IDENTIFIED IN A BROWNFIELD PLAN. FOR PURPOSES OF THIS SUBDIVISION, A FACILITY INCLUDES A BUILDING OR COMPLEX OF BUILDINGS THAT WAS USED BY A STATE OR FEDERAL AGENCY AND THAT IS NO LONGER BEING USED FOR THE PURPOSE FOR WHICH IT WAS USED BY THE STATE OR FEDERAL AGENCY.

(B) IF THE MICHIGAN ECONOMIC GROWTH AUTHORITY DETERMINES THAT THERE ARE PREVIOUSLY ISSUED CREDITS AUTHORIZED UNDER SECTION 434(6) OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1434, AVAILABLE, THE MICHIGAN ECONOMIC GROWTH AUTHORITY MAY APPROVE 2 ADDITIONAL PROJECTS FOR EACH CALENDAR YEAR. AS USED IN THIS SUBDIVISION, "PREVIOUSLY ISSUED CREDITS" MEANS THE TOTAL AMOUNT OF CREDITS AUTHORIZED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY FOR A TAXPAYER UNDER SECTION 434(6) OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1434, THAT MEETS ALL OF THE FOLLOWING:

(i) THE TAXPAYER DID NOT USE ANY OR A PORTION OF THE CREDITS AUTHORIZED UNDER THE WRITTEN AGREEMENT UNDER SECTION 434(6) OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1434.

(ii) THE AUTHORITY DETERMINED AT A MEETING UPON A VOTE OF THE MAJORITY OF THE MEMBERS PRESENT THAT THE CREDITS PREVIOUSLY AUTHORIZED SATISFY SUBPARAGRAPH (i).

(7) THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL REVIEW ALL APPLICATIONS FOR PROJECTS UNDER SUBSECTION (4) AND, IF AN APPLICATION IS APPROVED, SHALL DETERMINE THE MAXIMUM TOTAL OF ALL CREDITS FOR THAT PROJECT. BEFORE APPROVING A PROJECT FOR WHICH THE TOTAL OF ALL CREDITS WILL BE MORE THAN \$10,000,000.00 BUT \$30,000,000.00 OR LESS ONLY, THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL DETERMINE THAT THE PROJECT WOULD NOT OCCUR IN THIS STATE WITHOUT THE TAX CREDIT OFFERED UNDER SUBSECTION (4). THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL CONSIDER THE FOLLOWING CRITERIA TO THE EXTENT REASONABLY APPLICABLE TO THE TYPE OF PROJECT PROPOSED WHEN APPROVING A PROJECT UNDER SUBSECTION (4), AND THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE SHALL CONSIDER THE FOLLOWING CRITERIA TO THE EXTENT REASONABLY APPLICABLE TO THE TYPE OF PROJECT PROPOSED WHEN APPROVING A PROJECT UNDER SUBSECTION (2) OR (3) OR WHEN CONSIDERING AN AMENDMENT TO A PROJECT UNDER SUBSECTION (9):

(A) THE OVERALL BENEFIT TO THE PUBLIC.

(B) THE EXTENT OF REUSE OF VACANT BUILDINGS AND REDEVELOPMENT OF BLIGHTED PROPERTY.

(C) CREATION OF JOBS.

(D) WHETHER THE ELIGIBLE PROPERTY IS IN AN AREA OF HIGH UNEMPLOYMENT.

(E) THE LEVEL AND EXTENT OF CONTAMINATION ALLEVIATED BY THE QUALIFIED TAXPAYER'S ELIGIBLE ACTIVITIES TO THE EXTENT KNOWN TO THE QUALIFIED TAXPAYER.

(F) THE LEVEL OF PRIVATE SECTOR CONTRIBUTION.

(G) THE COST GAP THAT EXISTS BETWEEN THE SITE AND A SIMILAR GREENFIELD SITE AS DETERMINED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY.

(H) IF THE QUALIFIED TAXPAYER IS MOVING FROM ANOTHER LOCATION IN THIS STATE, WHETHER THE MOVE WILL CREATE A BROWNFIELD.

(I) WHETHER THE PROJECT IS FINANCIALLY AND ECONOMICALLY SOUND.



(J) ANY OTHER CRITERIA THAT THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY, AS APPLICABLE, CONSIDERS APPROPRIATE FOR THE DETERMINATION OF ELIGIBILITY UNDER SUBSECTION (3) OR (4).

(8) A QUALIFIED TAXPAYER MAY APPLY FOR PROJECTS UNDER THIS SECTION FOR ELIGIBLE INVESTMENT ON MORE THAN 1 ELIGIBLE PROPERTY IN A TAX YEAR. EACH PROJECT APPROVED AND EACH PROJECT FOR WHICH A CERTIFICATE OF COMPLETION IS ISSUED UNDER THIS SECTION SHALL BE FOR ELIGIBLE INVESTMENT ON 1 ELIGIBLE PROPERTY.

(9) IF, AFTER A TAXPAYER'S PROJECT HAS BEEN APPROVED AND THE TAXPAYER HAS RECEIVED A PREAPPROVAL LETTER BUT BEFORE THE TAXPAYER HAS MADE AN ELIGIBLE INVESTMENT, OTHER THAN SOFT COSTS, AT THE PROPERTY, THE TAXPAYER DETERMINES THAT THE PROJECT CANNOT BE COMPLETED AS PREAPPROVED, THE TAXPAYER MAY PETITION THE MICHIGAN ECONOMIC GROWTH AUTHORITY TO AMEND THE PROJECT AND THE PREAPPROVAL LETTER TO INCREASE THE MAXIMUM TOTAL ELIGIBLE INVESTMENT FOR THE PROJECT ON WHICH CREDITS MAY BE CLAIMED AND THE MAXIMUM TOTAL OF ALL CREDITS FOR THE PROJECT. A TAXPAYER MAY PETITION THE MICHIGAN ECONOMIC GROWTH AUTHORITY TO MAKE ANY OTHER AMENDMENTS TO THE PROJECT OR PREAPPROVAL LETTER AT ANY TIME BEFORE A CERTIFICATE OF COMPLETION IS ISSUED. AMENDMENTS TO THE PROJECT OR PREAPPROVAL LETTER MAY INCLUDE, BUT ARE NOT LIMITED TO, EXTENDING THE DURATION OF TIME PROVIDED TO COMPLETE THE PROJECT, AS LONG AS THAT EXTENSION DOES NOT EXCEED 10 YEARS FROM THE DATE OF THE PREAPPROVAL LETTER.

(10) A PROJECT MAY BE A MULTIPHASE PROJECT. IF A PROJECT IS A MULTIPHASE PROJECT, WHEN EACH COMPONENT OF THE MULTIPHASE PROJECT IS COMPLETED, THE TAXPAYER SHALL SUBMIT DOCUMENTATION THAT THE COMPONENT IS COMPLETE, AN ACCOUNTING OF THE COST OF THE COMPONENT, AND THE ELIGIBLE INVESTMENT FOR THE COMPONENT OF EACH TAXPAYER ELIGIBLE FOR A CREDIT FOR THE PROJECT OF WHICH THE COMPONENT IS A PART TO THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR THE DESIGNEE OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY, WHO SHALL VERIFY THAT THE COMPONENT IS COMPLETE. WHEN THE COMPLETION OF THE COMPONENT IS VERIFIED, A COMPONENT COMPLETION CERTIFICATE SHALL BE ISSUED TO THE QUALIFIED TAXPAYER WHICH SHALL STATE THAT THE TAXPAYER IS A QUALIFIED TAXPAYER, THE CREDIT AMOUNT FOR THE COMPONENT, THE QUALIFIED TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR THE MICHIGAN TREASURY NUMBER ASSIGNED TO THE TAXPAYER, AND THE PROJECT NUMBER. THE TAXPAYER MAY ASSIGN ALL OR PART OF THE CREDIT FOR A MULTIPHASE PROJECT AS PROVIDED IN THIS SECTION AFTER A COMPONENT COMPLETION CERTIFICATE FOR A COMPONENT IS ISSUED. THE QUALIFIED TAXPAYER MAY TRANSFER OWNERSHIP OF OR LEASE THE COMPLETED COMPONENT AND ASSIGN A PROPORTIONATE SHARE OF THE CREDIT FOR THE ENTIRE PROJECT TO THE QUALIFIED TAXPAYER THAT IS THE NEW OWNER OR LESSEE. A MULTIPHASE PROJECT SHALL NOT BE DIVIDED INTO MORE THAN 10 COMPONENTS. A COMPONENT IS CONSIDERED TO BE COMPLETED WHEN A CERTIFICATE OF OCCUPANCY HAS BEEN ISSUED BY THE LOCAL MUNICIPALITY IN WHICH THE PROJECT IS LOCATED FOR ALL OF THE BUILDINGS OR FACILITIES THAT COMPRISE THE COMPLETED COMPONENT AND A COMPONENT COMPLETION CERTIFICATE IS ISSUED OR THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE, FOR PROJECTS APPROVED UNDER SUBSECTION (2) OR (3), OR THE MICHIGAN ECONOMIC GROWTH AUTHORITY, FOR PROJECTS APPROVED UNDER SUBSECTION (4), VERIFIES THAT THE COMPONENT IS COMPLETE. A CREDIT ASSIGNED BASED ON A MULTIPHASE PROJECT SHALL BE CLAIMED BY THE ASSIGNEE IN THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE. THE TOTAL OF ALL CREDITS FOR A MULTIPHASE PROJECT SHALL NOT EXCEED THE AMOUNT STATED IN THE PREAPPROVAL LETTER, AS AMENDED, FOR THE PROJECT UNDER SUBSECTION (1). IF ALL COMPONENTS OF A MULTIPHASE PROJECT ARE NOT COMPLETED BY 10 YEARS AFTER THE DATE ON WHICH THE PREAPPROVAL LETTER, AS AMENDED, IF APPLICABLE, FOR THE PROJECT WAS ISSUED, THE QUALIFIED TAXPAYER THAT RECEIVED THE PREAPPROVAL LETTER FOR THE PROJECT SHALL PAY TO THE STATE TREASURER, AS A PENALTY, AN AMOUNT EQUAL TO THE SUM OF ALL CREDITS CLAIMED AND ASSIGNED FOR ALL COMPONENTS OF THE MULTIPHASE PROJECT AND NO CREDITS BASED ON THAT MULTIPHASE PROJECT SHALL BE CLAIMED AFTER THAT DATE BY THE QUALIFIED TAXPAYER OR ANY ASSIGNEE OF THE QUALIFIED TAXPAYER. THE PENALTY UNDER THIS SUBSECTION IS SUBJECT TO INTEREST ON THE AMOUNT OF THE CREDIT CLAIMED OR ASSIGNED DETERMINED INDIVIDUALLY FOR EACH COMPONENT AT THE RATE IN SECTION 23(2) OF 1941 PA 122, MCL 205.23, BEGINNING ON THE DATE THAT THE CREDIT FOR THAT COMPONENT WAS CLAIMED OR ASSIGNED. AS USED IN THIS SUBSECTION, "PROPORTIONATE SHARE" MEANS THE SAME PERCENTAGE OF THE TOTAL OF ALL CREDITS FOR THE PROJECT THAT THE QUALIFIED INVESTMENT FOR THE COMPLETED COMPONENT IS OF THE TOTAL QUALIFIED INVESTMENT STATED IN THE PREAPPROVAL LETTER, AS AMENDED, FOR THE ENTIRE PROJECT.

(11) WHEN A PROJECT UNDER THIS SECTION IS COMPLETED, THE TAXPAYER SHALL SUBMIT DOCUMENTATION THAT THE PROJECT IS COMPLETED, AN ACCOUNTING OF THE COST OF THE PROJECT, THE ELIGIBLE INVESTMENT OF EACH TAXPAYER IF THERE IS MORE THAN 1 TAXPAYER ELIGIBLE FOR A CREDIT FOR THE PROJECT, AND, IF THE TAXPAYER IS NOT THE OWNER OR LESSEE OF THE ELIGIBLE PROPERTY ON WHICH THE ELIGIBLE INVESTMENT WAS MADE AT THE TIME THE PROJECT IS COMPLETED, THAT THE TAXPAYER WAS THE OWNER OR LESSEE OF, OR WAS A PARTY TO AN AGREEMENT TO PURCHASE OR LEASE, THAT ELIGIBLE PROPERTY WHEN ALL ELIGIBLE INVESTMENT OF THE TAXPAYER WAS MADE. THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE, FOR PROJECTS APPROVED UNDER SUBSECTION (2) OR (3), OR THE MICHIGAN ECONOMIC GROWTH AUTHORITY, FOR PROJECTS APPROVED UNDER SUBSECTION (4), SHALL VERIFY THAT THE PROJECT IS COMPLETED. THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL CONDUCT AN ON-SITE INSPECTION AS PART OF THE VERIFICATION PROCESS FOR PROJECTS APPROVED UNDER SUBSECTION (4). WHEN THE COMPLETION OF THE PROJECT IS VERIFIED, A CERTIFICATE OF COMPLETION SHALL BE ISSUED TO EACH QUALIFIED TAXPAYER THAT HAS MADE ELIGIBLE INVESTMENT ON THAT ELIGIBLE PROPERTY. THE CERTIFICATE OF COMPLETION SHALL STATE THE TOTAL AMOUNT OF ALL CREDITS FOR THE PROJECT AND THAT TOTAL SHALL NOT EXCEED THE MAXIMUM TOTAL OF ALL CREDITS LISTED IN THE PREAPPROVAL LETTER FOR THE PROJECT UNDER SUBSECTION (2), (3), OR (4) AS APPLICABLE AND AS AMENDED UNDER SUBSECTION (9) AND SHALL STATE ALL OF THE FOLLOWING:

(A) THAT THE TAXPAYER IS A QUALIFIED TAXPAYER.

(B) THE TOTAL COST OF THE PROJECT AND THE ELIGIBLE INVESTMENT OF EACH QUALIFIED TAXPAYER.

(C) EACH QUALIFIED TAXPAYER'S CREDIT AMOUNT.

(D) THE QUALIFIED TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR THE MICHIGAN TREASURY NUMBER ASSIGNED TO THE TAXPAYER.

(E) THE PROJECT NUMBER.

(F) FOR A PROJECT APPROVED UNDER SUBSECTION (4) FOR WHICH THE TOTAL OF ALL CREDITS IS MORE THAN \$10,000,000.00 BUT \$30,000,000.00 OR LESS, THE TOTAL OF ALL CREDITS AND THE SCHEDULE ON WHICH THE ANNUAL CREDIT AMOUNT SHALL BE CLAIMED BY THE QUALIFIED TAXPAYER.

(G) FOR A MULTIPHASE PROJECT UNDER SUBSECTION (10), THE AMOUNT OF EACH CREDIT ASSIGNED AND THE AMOUNT OF ALL CREDITS CLAIMED IN EACH TAX YEAR BEFORE THE YEAR IN WHICH THE PROJECT IS COMPLETED.

(12) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, QUALIFIED TAXPAYERS SHALL CLAIM CREDITS UNDER THIS SECTION IN THE TAX YEAR IN WHICH THE CERTIFICATE OF COMPLETION IS ISSUED. FOR A PROJECT APPROVED UNDER SUBSECTION (4) FOR WHICH THE TOTAL OF ALL CREDITS IS MORE THAN \$10,000,000.00 BUT \$30,000,000.00 OR LESS, THE QUALIFIED TAXPAYER SHALL CLAIM 10% OF ITS APPROVED CREDIT EACH YEAR FOR 10 YEARS. A CREDIT ASSIGNED BASED ON A MULTIPHASE PROJECT SHALL BE CLAIMED IN THE YEAR IN WHICH THE CREDIT IS ASSIGNED.

(13) THE COST OF ELIGIBLE INVESTMENT FOR LEASED MACHINERY, EQUIPMENT, OR FIXTURES IS THE COST OF THAT PROPERTY HAD THE PROPERTY BEEN PURCHASED MINUS THE LESSOR'S ESTIMATE, MADE AT THE TIME THE LEASE IS ENTERED INTO, OF THE MARKET VALUE THE PROPERTY WILL HAVE AT THE END OF THE LEASE. A CREDIT FOR PROPERTY DESCRIBED IN THIS SUBSECTION IS ALLOWED ONLY IF THE COST OF THAT PROPERTY HAD THE PROPERTY BEEN PURCHASED AND THE LESSOR'S ESTIMATE OF THE MARKET VALUE AT THE END OF THE LEASE ARE PROVIDED TO THE MICHIGAN ECONOMIC GROWTH AUTHORITY.

(14) CREDITS CLAIMED BY A LESSEE OF ELIGIBLE PROPERTY ARE SUBJECT TO THE TOTAL OF ALL CREDITS LIMITATION UNDER THIS SECTION.

(15) EACH QUALIFIED TAXPAYER AND ASSIGNEE UNDER SUBSECTION (20), (21), OR (22) THAT CLAIMS A CREDIT UNDER THIS SECTION SHALL ATTACH A COPY OF THE CERTIFICATE OF COMPLETION AND, IF THE CREDIT WAS ASSIGNED, A COPY OF THE ASSIGNMENT FORM PROVIDED FOR UNDER THIS SECTION TO THE ANNUAL RETURN FILED UNDER THIS PART ON WHICH THE CREDIT UNDER THIS SECTION IS CLAIMED. AN ASSIGNEE OF A CREDIT BASED ON A MULTIPHASE PROJECT SHALL ATTACH A COPY OF THE ASSIGNMENT FORM PROVIDED FOR UNDER THIS SECTION AND THE COMPONENT COMPLETION CERTIFICATE PROVIDED FOR IN SUBSECTION (10) TO THE ANNUAL RETURN FILED UNDER THIS PART ON WHICH THE CREDIT IS CLAIMED BUT IS NOT REQUIRED TO FILE A COPY OF A CERTIFICATE OF COMPLETION.

(16) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION OR SUBSECTION (10), (18), (20), OR (21), A CREDIT UNDER THIS SECTION SHALL BE CLAIMED IN THE TAX YEAR IN WHICH THE CERTIFICATE OF COMPLETION IS ISSUED TO THE QUALIFIED TAXPAYER. FOR A PROJECT DESCRIBED IN

**SUBSECTION (11)(F) FOR WHICH A SCHEDULE FOR CLAIMING ANNUAL CREDIT AMOUNTS IS DESIGNATED ON THE CERTIFICATE OF COMPLETION BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY, THE ANNUAL CREDIT AMOUNT SHALL BE CLAIMED IN THE TAX YEAR SPECIFIED ON THE CERTIFICATE OF COMPLETION.**

**(17) EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBSECTION, THE CREDITS APPROVED UNDER THIS SECTION SHALL BE CALCULATED AFTER APPLICATION OF ALL OTHER CREDITS ALLOWED UNDER THIS PART.**

**(18) EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBSECTION, IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS SECTION EXCEED THE QUALIFIED TAXPAYER'S OR ASSIGNEE'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER OCCURS FIRST. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE MAXIMUM TIME ALLOWED UNDER THE CARRYFORWARD PROVISIONS UNDER THIS SUBSECTION BEGINS WITH THE TAX YEAR IN WHICH THE CERTIFICATE OF COMPLETION IS ISSUED TO THE QUALIFIED TAXPAYER. IF THE QUALIFIED TAXPAYER ASSIGNS ALL OR ANY PORTION OF ITS CREDIT APPROVED UNDER THIS SECTION, THE MAXIMUM TIME ALLOWED UNDER THE CARRYFORWARD PROVISIONS FOR AN ASSIGNEE BEGINS TO RUN WITH THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE AND THE ASSIGNEE FIRST CLAIMS A CREDIT, WHICH SHALL BE THE SAME TAX YEAR. THE MAXIMUM TIME ALLOWED UNDER THE CARRYFORWARD PROVISIONS FOR AN ANNUAL CREDIT AMOUNT FOR A CREDIT ALLOWED UNDER SUBSECTION (4) BEGINS TO RUN IN THE TAX YEAR FOR WHICH THE ANNUAL CREDIT AMOUNT IS DESIGNATED ON THE CERTIFICATE OF COMPLETION ISSUED UNDER THIS SECTION.**

**(19) IF A PROJECT OR CREDIT UNDER THIS SECTION IS FOR THE ADDITION OF PERSONAL PROPERTY, IF THE COST OF THAT PERSONAL PROPERTY IS USED TO CALCULATE A CREDIT UNDER THIS SECTION, AND IF THE PERSONAL PROPERTY IS DISPOSED OF OR TRANSFERRED FROM THE ELIGIBLE PROPERTY TO ANY OTHER LOCATION, THE QUALIFIED TAXPAYER THAT DISPOSED OF THAT PROPERTY, OR TRANSFERRED THE PERSONAL PROPERTY SHALL ADD THE SAME PERCENTAGE AS DETERMINED UNDER SUBSECTION (1) OF THE FEDERAL BASIS OF THE PERSONAL PROPERTY USED FOR DETERMINING GAIN OR LOSS AS OF THE DATE OF THE DISPOSITION OR TRANSFER TO THE QUALIFIED TAXPAYER'S TAX LIABILITY UNDER THIS PART AFTER APPLICATION OF ALL CREDITS UNDER THIS PART FOR THE TAX YEAR IN WHICH THE DISPOSITION OR TRANSFER OCCURS. IF A QUALIFIED TAXPAYER HAS AN UNUSED CARRYFORWARD OF A CREDIT UNDER THIS SECTION, THE AMOUNT OTHERWISE ADDED UNDER THIS SUBSECTION TO THE QUALIFIED TAXPAYER'S TAX LIABILITY MAY INSTEAD BE USED TO REDUCE THE QUALIFIED TAXPAYER'S CARRYFORWARD UNDER SUBSECTION (18).**

**(20) IF A QUALIFIED TAXPAYER PAYS OR ACCRUES ELIGIBLE INVESTMENT ON OR TO AN ELIGIBLE PROPERTY THAT IS LEASED FOR A MINIMUM TERM OF 10 YEARS OR SOLD TO ANOTHER TAXPAYER FOR USE IN A BUSINESS ACTIVITY, THE QUALIFIED TAXPAYER MAY ASSIGN ALL OR A PORTION OF THE CREDIT UNDER THIS SECTION BASED ON THAT ELIGIBLE INVESTMENT TO THE LESSEE OR PURCHASER OF THAT ELIGIBLE PROPERTY. A CREDIT ASSIGNMENT UNDER THIS SUBSECTION SHALL ONLY BE MADE TO A TAXPAYER THAT WHEN THE ASSIGNMENT IS COMPLETE WILL BE A QUALIFIED TAXPAYER. ALL CREDIT ASSIGNMENTS UNDER THIS SUBSECTION ARE IRREVOCABLE AND, EXCEPT FOR A CREDIT BASED ON A MULTIPHASE PROJECT, SHALL BE MADE IN THE TAX YEAR IN WHICH THE CERTIFICATE OF COMPLETION IS ISSUED, UNLESS THE ASSIGNEE IS AN UNKNOWN LESSEE. IF A QUALIFIED TAXPAYER WISHES TO ASSIGN ALL OR A PORTION OF ITS CREDIT TO A LESSEE BUT THE LESSEE IS UNKNOWN IN THE TAX YEAR IN WHICH THE CERTIFICATE OF COMPLETION IS ISSUED, THE QUALIFIED TAXPAYER MAY DELAY CLAIMING AND ASSIGNING THE CREDIT UNTIL THE FIRST TAX YEAR IN WHICH THE LESSEE IS KNOWN. A QUALIFIED TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE REMAINING CREDIT AMOUNT. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, IF THE QUALIFIED TAXPAYER BOTH CLAIMS AND ASSIGNS PORTIONS OF THE CREDIT, THE QUALIFIED TAXPAYER SHALL CLAIM THE PORTION IT CLAIMS IN THE TAX YEAR IN WHICH THE CERTIFICATE OF COMPLETION IS ISSUED OR, FOR A CREDIT ASSIGNED AND CLAIMED FOR A MULTIPHASE PROJECT BEFORE A CERTIFICATE OF COMPLETION IS ISSUED, THE TAXPAYER SHALL CLAIM THE CREDIT IN THE YEAR IN WHICH THE CREDIT IS ASSIGNED. IF A QUALIFIED TAXPAYER ASSIGNS ALL OR A PORTION OF THE CREDIT AND THE ELIGIBLE PROPERTY IS LEASED TO MORE THAN 1 TAXPAYER, THE QUALIFIED TAXPAYER SHALL DETERMINE THE AMOUNT OF CREDIT ASSIGNED TO EACH LESSEE. A LESSEE SHALL NOT SUBSEQUENTLY ASSIGN A CREDIT OR ANY PORTION OF A CREDIT ASSIGNED UNDER THIS SUBSECTION. A PURCHASER MAY SUBSEQUENTLY ASSIGN A CREDIT OR ANY PORTION OF A CREDIT ASSIGNED TO THE PURCHASER UNDER THIS SUBSECTION TO A LESSEE OF THE ELIGIBLE PROPERTY.**



THE CREDIT ASSIGNMENT UNDER THIS SUBSECTION SHALL BE MADE ON A FORM PRESCRIBED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY. THE QUALIFIED TAXPAYER SHALL SEND A COPY OF THE COMPLETED ASSIGNMENT FORM TO THE MICHIGAN ECONOMIC GROWTH AUTHORITY IN THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE. THE ASSIGNEE SHALL ATTACH A COPY OF THE COMPLETED ASSIGNMENT FORM TO ITS ANNUAL RETURN REQUIRED TO BE FILED UNDER THIS PART, FOR THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE AND THE ASSIGNEE FIRST CLAIMS A CREDIT, WHICH SHALL BE THE SAME TAX YEAR. IN ADDITION TO ALL OTHER PROCEDURES UNDER THIS SUBSECTION, THE FOLLOWING APPLY IF THE TOTAL OF ALL CREDITS FOR A PROJECT IS MORE THAN \$10,000,000.00 BUT \$30,000,000.00 OR LESS:

(A) THE CREDIT SHALL BE ASSIGNED BASED ON THE SCHEDULE CONTAINED IN THE CERTIFICATE OF COMPLETION.

(B) IF THE QUALIFIED TAXPAYER ASSIGNS ALL OR A PORTION OF THE CREDIT AMOUNT, THE QUALIFIED TAXPAYER SHALL ASSIGN THE ANNUAL CREDIT AMOUNT FOR EACH TAX YEAR SEPARATELY.

(C) MORE THAN 1 ANNUAL CREDIT AMOUNT MAY BE ASSIGNED TO ANY 1 ASSIGNEE AND THE QUALIFIED TAXPAYER MAY ASSIGN ALL OR A PORTION OF EACH ANNUAL CREDIT AMOUNT TO ANY ASSIGNEE.

(D) THE QUALIFIED TAXPAYER SHALL NOT ASSIGN MORE THAN THE ANNUAL CREDIT AMOUNT FOR EACH TAX YEAR.

(21) IF A QUALIFIED TAXPAYER IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR SUBCHAPTER S CORPORATION, THE QUALIFIED TAXPAYER MAY ASSIGN ALL OR A PORTION OF A CREDIT UNDER THIS SECTION TO ITS PARTNERS, MEMBERS, OR SHAREHOLDERS, BASED ON THEIR PROPORTIONATE SHARE OF OWNERSHIP OF THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR SUBCHAPTER S CORPORATION OR BASED ON AN ALTERNATIVE METHOD APPROVED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY. A CREDIT ASSIGNMENT UNDER THIS SUBSECTION IS IRREVOCABLE AND, EXCEPT FOR A CREDIT ASSIGNMENT BASED ON A MULTIPHASE PROJECT, SHALL BE MADE IN THE TAX YEAR IN WHICH A CERTIFICATE OF COMPLETION IS ISSUED. A QUALIFIED TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE REMAINING CREDIT AMOUNT. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, IF THE QUALIFIED TAXPAYER BOTH CLAIMS AND ASSIGNS PORTIONS OF THE CREDIT, THE QUALIFIED TAXPAYER SHALL CLAIM THE PORTION IT CLAIMS IN THE TAX YEAR IN WHICH A CERTIFICATE OF COMPLETION IS ISSUED OR FOR A CREDIT ASSIGNED AND CLAIMED FOR A MULTIPHASE PROJECT, BEFORE THE COMPONENT COMPLETION CERTIFICATE IS ISSUED, THE TAXPAYER SHALL CLAIM THE CREDIT IN THE YEAR IN WHICH THE CREDIT IS ASSIGNED. A PARTNER, MEMBER, OR SHAREHOLDER THAT IS AN ASSIGNEE SHALL NOT SUBSEQUENTLY ASSIGN A CREDIT OR ANY PORTION OF A CREDIT ASSIGNED UNDER THIS SUBSECTION. THE CREDIT ASSIGNMENT UNDER THIS SUBSECTION SHALL BE MADE ON A FORM PRESCRIBED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY. THE QUALIFIED TAXPAYER SHALL SEND A COPY OF THE COMPLETED ASSIGNMENT FORM TO THE MICHIGAN ECONOMIC GROWTH AUTHORITY IN THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE. A PARTNER, MEMBER, OR SHAREHOLDER WHO IS AN ASSIGNEE SHALL ATTACH A COPY OF THE COMPLETED ASSIGNMENT FORM TO ITS ANNUAL RETURN REQUIRED UNDER THIS PART, FOR THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE AND THE ASSIGNEE FIRST CLAIMS A CREDIT, WHICH SHALL BE THE SAME TAX YEAR.

(22) WHEN REVIEWING AN APPLICATION FOR A PROJECT FOR DESIGNATION AS AN URBAN DEVELOPMENT AREA PROJECT, THE MICHIGAN ECONOMIC GROWTH AUTHORITY FOR PROJECTS APPROVED UNDER SUBSECTION (4) OR THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE FOR PROJECTS APPROVED UNDER SUBSECTIONS (2) AND (3) SHALL CONSIDER ALL OF THE FOLLOWING CRITERIA:

(A) IF THE PROJECT INCREASES THE DENSITY OF THE AREA BY PROMOTING MULTISTORY DEVELOPMENT.

(B) IF THE PROJECT PROMOTES MIXED-USE DEVELOPMENT AND WALKABLE COMMUNITIES.

(C) IF THE PROJECT PROMOTES SUSTAINABLE REDEVELOPMENT.

(D) IF THE PROJECT ADDRESSES AREAWIDE REDEVELOPMENT AND INCLUDES MULTIPLE PARCELS OF PROPERTY.

(E) IF THE PROJECT ADDRESSES UNDERSERVED MARKETS OF COMMERCE.

(F) ANY OTHER CRITERIA DETERMINED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY.

(23) ELIGIBLE INVESTMENT ATTRIBUTABLE OR RELATED TO THE OPERATION OF A PROFESSIONAL SPORTS STADIUM, AND ELIGIBLE INVESTMENT THAT IS ASSOCIATED OR AFFILIATED WITH THE OPERATION OF A PROFESSIONAL SPORTS STADIUM, INCLUDING, BUT NOT LIMITED TO, THE OPERATION

OF A PARKING LOT OR RETAIL STORE, SHALL NOT BE USED AS A BASIS FOR A CREDIT UNDER THIS SECTION. PROFESSIONAL SPORTS STADIUM DOES NOT INCLUDE A PROFESSIONAL SPORTS STADIUM THAT WILL NO LONGER BE USED BY A PROFESSIONAL SPORTS TEAM ON AND AFTER THE DATE THAT AN APPLICATION RELATED TO THAT PROFESSIONAL SPORTS STADIUM IS FILED UNDER THIS SECTION.

(24) ELIGIBLE INVESTMENT ATTRIBUTABLE OR RELATED TO THE OPERATION OF A CASINO, AND ELIGIBLE INVESTMENT THAT IS ASSOCIATED OR AFFILIATED WITH THE OPERATION OF A CASINO, INCLUDING, BUT NOT LIMITED TO, THE OPERATION OF A PARKING LOT, HOTEL, MOTEL, OR RETAIL STORE, SHALL NOT BE USED AS A BASIS FOR A CREDIT UNDER THIS SECTION. AS USED IN THIS SUBSECTION, "CASINO" MEANS A CASINO REGULATED BY THIS STATE PURSUANT TO THE MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.201 TO 432.226.

(25) ELIGIBLE INVESTMENT ATTRIBUTABLE OR RELATED TO THE CONSTRUCTION OF A NEW LANDFILL OR THE EXPANSION OF AN EXISTING LANDFILL REGULATED UNDER PART 115 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.11501 TO 324.11550, SHALL NOT BE USED AS A BASIS FOR A CREDIT UNDER THIS SECTION.

(26) THE MICHIGAN ECONOMIC GROWTH AUTHORITY ANNUALLY SHALL PREPARE AND SUBMIT TO THE HOUSE OF REPRESENTATIVES AND SENATE COMMITTEES RESPONSIBLE FOR TAX POLICY AND ECONOMIC DEVELOPMENT ISSUES A REPORT ON THE CREDITS UNDER SUBSECTIONS (2), (3), AND (4). THE REPORT SHALL INCLUDE, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

(A) A LISTING OF THE PROJECTS UNDER SUBSECTIONS (2), (3), AND (4) THAT WERE APPROVED IN THE CALENDAR YEAR.

(B) THE TOTAL AMOUNT OF ELIGIBLE INVESTMENT FOR PROJECTS APPROVED UNDER SUBSECTIONS (2), (3), AND (4) IN THE CALENDAR YEAR.

(27) FOR PURPOSES OF THIS SECTION, TAXPAYER INCLUDES A PERSON SUBJECT TO THE TAX IMPOSED UNDER CHAPTERS 12 AND 13.

(28) AS USED IN THIS SECTION:

(A) "ANNUAL CREDIT AMOUNT" MEANS THE MAXIMUM AMOUNT THAT A QUALIFIED TAXPAYER IS ELIGIBLE TO CLAIM EACH TAX YEAR FOR A PROJECT FOR WHICH THE TOTAL OF ALL CREDITS IS MORE THAN \$10,000,000.00 BUT \$30,000,000.00 OR LESS, AS APPROVED UNDER SUBSECTION (4).

(B) "AUTHORITY" MEANS A BROWNFIELD REDEVELOPMENT AUTHORITY CREATED UNDER THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672.

(C) "BLIGHTED", "BROWNFIELD PLAN", "ELIGIBLE ACTIVITIES", "FACILITY", "FUNCTIONALLY OBSOLETE", "QUALIFIED LOCAL GOVERNMENTAL UNIT", AND "RESPONSE ACTIVITY" MEAN THOSE TERMS AS DEFINED IN THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672.

(D) "ELIGIBLE INVESTMENT" OR "ELIGIBLE INVESTMENTS" MEANS, WHEN MADE AFTER THE APPROVAL DATE OF THE BROWNFIELD PLAN BUT IN ANY EVENT NO EARLIER THAN 90 DAYS PRIOR TO THE DATE OF THE PREAPPROVAL LETTER, ANY DEMOLITION, CONSTRUCTION, RESTORATION, ALTERATION, RENOVATION, OR IMPROVEMENT OF BUILDINGS OR SITE IMPROVEMENTS ON ELIGIBLE PROPERTY AND THE ADDITION OF MACHINERY, EQUIPMENT, AND FIXTURES TO ELIGIBLE PROPERTY AFTER THE DATE THAT ELIGIBLE ACTIVITIES ON THAT ELIGIBLE PROPERTY HAVE STARTED PURSUANT TO A BROWNFIELD PLAN UNDER THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, IF THE COSTS OF THE ELIGIBLE INVESTMENT ARE NOT OTHERWISE REIMBURSED TO THE TAXPAYER OR PAID FOR ON BEHALF OF THE TAXPAYER FROM ANY SOURCE OTHER THAN THE TAXPAYER. THE ADDITION OF LEASED MACHINERY, EQUIPMENT, OR FIXTURES TO ELIGIBLE PROPERTY BY A LESSEE OF THE MACHINERY, EQUIPMENT, OR FIXTURES IS ELIGIBLE INVESTMENT IF THE LEASE OF THE MACHINERY, EQUIPMENT, OR FIXTURES HAS A MINIMUM TERM OF 10 YEARS OR IS FOR THE EXPECTED USEFUL LIFE OF THE MACHINERY, EQUIPMENT, OR FIXTURES, AND IF THE OWNER OF THE MACHINERY, EQUIPMENT, OR FIXTURES IS NOT THE QUALIFIED TAXPAYER WITH REGARD TO THAT MACHINERY, EQUIPMENT, OR FIXTURES.

(E) "ELIGIBLE PROPERTY", EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, MEANS PROPERTY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED UNDER A BROWNFIELD PLAN THAT WAS USED OR IS CURRENTLY USED FOR COMMERCIAL, INDUSTRIAL, PUBLIC, OR RESIDENTIAL PURPOSES, INCLUDING PERSONAL PROPERTY LOCATED ON THE PROPERTY, TO THE EXTENT INCLUDED IN THE BROWNFIELD PLAN, AND THAT IS 1 OR MORE OF THE FOLLOWING:

(i) IS IN A QUALIFIED LOCAL GOVERNMENTAL UNIT AND IS A FACILITY, FUNCTIONALLY OBSOLETE, OR BLIGHTED AND INCLUDES PARCELS THAT ARE ADJACENT OR CONTIGUOUS TO THAT PROPERTY IF THE DEVELOPMENT OF THE ADJACENT AND CONTIGUOUS PARCELS IS ESTIMATED TO INCREASE THE CAPTURED TAXABLE VALUE OF THAT PROPERTY.

(ii) IS NOT IN A QUALIFIED LOCAL GOVERNMENTAL UNIT AND IS A FACILITY, AND INCLUDES PARCELS THAT ARE ADJACENT OR CONTIGUOUS TO THAT PROPERTY IF THE DEVELOPMENT OF THE ADJACENT AND CONTIGUOUS PARCELS IS ESTIMATED TO INCREASE THE CAPTURED TAXABLE VALUE OF THAT PROPERTY.

(iii) IS TAX REVERTED PROPERTY OWNED OR UNDER THE CONTROL OF A LAND BANK FAST TRACK AUTHORITY.

(F) "MICHIGAN ECONOMIC GROWTH AUTHORITY" MEANS THE MICHIGAN ECONOMIC GROWTH AUTHORITY CREATED IN THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA 24, MCL 207.801 TO 207.810.

(G) "MULTIPHASE PROJECT" MEANS A PROJECT APPROVED UNDER THIS SECTION THAT HAS MORE THAN 1 COMPONENT, EACH OF WHICH CAN BE COMPLETED SEPARATELY.

(H) "PERSONAL PROPERTY" MEANS THAT TERM AS DEFINED IN SECTION 8 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.8, EXCEPT THAT PERSONAL PROPERTY DOES NOT INCLUDE EITHER OF THE FOLLOWING:

(i) PERSONAL PROPERTY DESCRIBED IN SECTION 8(H), (I), OR (J) OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.8.

(ii) BUILDINGS DESCRIBED IN SECTION 14(6) OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.14.

(I) "PROJECT" MEANS THE TOTAL OF ALL ELIGIBLE INVESTMENT ON AN ELIGIBLE PROPERTY OR, FOR PURPOSES OF SUBSECTION (6)(B), 1 OF THE FOLLOWING:

(i) ALL ELIGIBLE INVESTMENT ON PROPERTY NOT IN A QUALIFIED LOCAL GOVERNMENTAL UNIT THAT IS A FACILITY.

(ii) ALL ELIGIBLE INVESTMENT ON PROPERTY THAT IS NOT A FACILITY BUT IS FUNCTIONALLY OBSOLETE OR BLIGHTED.

(J) "QUALIFIED LOCAL GOVERNMENTAL UNIT" MEANS THAT TERM AS DEFINED IN THE OBSOLETE PROPERTY REHABILITATION ACT, 2000 PA 146, MCL 125.2781 TO 125.2797.

(K) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT MEETS BOTH OF THE FOLLOWING CRITERIA:

(i) OWNS, LEASES, OR HAS ENTERED INTO AN AGREEMENT TO PURCHASE OR LEASE ELIGIBLE PROPERTY.

(ii) CERTIFIES THAT, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBPARAGRAPH, THE DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT HAS NOT SUED OR ISSUED A UNILATERAL ORDER TO THE TAXPAYER PURSUANT TO PART 201 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.20101 TO 324.20142, TO COMPEL RESPONSE ACTIVITY ON OR TO THE ELIGIBLE PROPERTY, OR EXPENDED ANY STATE FUNDS FOR RESPONSE ACTIVITY ON OR TO THE ELIGIBLE PROPERTY AND DEMANDED REIMBURSEMENT FOR THOSE EXPENDITURES FROM THE QUALIFIED TAXPAYER. HOWEVER, IF THE TAXPAYER HAS COMPLETED ALL RESPONSE ACTIVITY REQUIRED BY PART 201 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.20101 TO 324.20142, IS IN COMPLIANCE WITH ANY DEED RESTRICTION OR ADMINISTRATIVE OR JUDICIAL ORDER RELATED TO THE REQUIRED RESPONSE ACTIVITY, AND HAS REIMBURSED THE STATE FOR ALL COSTS INCURRED BY THE STATE RELATED TO THE REQUIRED RESPONSE ACTIVITY, THE TAXPAYER MEETS THE CRITERIA UNDER THIS SUBPARAGRAPH.

(L) "URBAN DEVELOPMENT AREA PROJECT" MEANS A PROJECT LOCATED ON ELIGIBLE PROPERTY IN THE DOWNTOWN OR TRADITIONAL CENTRAL BUSINESS DISTRICT OF A QUALIFIED LOCAL GOVERNMENTAL UNIT OR COUNTY SEAT OR ALONG A TRADITIONAL COMMERCIAL CORRIDOR OF A QUALIFIED LOCAL GOVERNMENTAL UNIT OR COUNTY SEAT AS DETERMINED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE.

(29) FOR PURPOSES OF SUBSECTION (2), ELIGIBLE PROPERTY MEANS THAT TERM AS DEFINED UNDER SUBSECTION (28)(E) EXCEPT THAT ALL OF THE FOLLOWING APPLY:

(A) ELIGIBLE PROPERTY MEANS PROPERTY IDENTIFIED UNDER A BROWNFIELD PLAN THAT WAS USED OR IS CURRENTLY USED FOR COMMERCIAL, INDUSTRIAL, PUBLIC, OR RESIDENTIAL PURPOSES AND THAT IS 1 OF THE FOLLOWING:

(i) PROPERTY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED UNDER THE BROWNFIELD PLAN, IS IN A QUALIFIED LOCAL GOVERNMENTAL UNIT, AND IS A FACILITY, FUNCTIONALLY OBSOLETE, OR BLIGHTED.

(ii) PROPERTY THAT IS NOT IN A QUALIFIED LOCAL GOVERNMENTAL UNIT BUT IS WITHIN A DOWNTOWN DEVELOPMENT DISTRICT ESTABLISHED UNDER 1975 PA 197, MCL 125.1651 TO 125.1681,

**AND IS FUNCTIONALLY OBSOLETE OR BLIGHTED, AND A COMPONENT OF THE PROJECT ON THAT ELIGIBLE PROPERTY IS 1 OR MORE OF THE FOLLOWING:**

**(A) INFRASTRUCTURE IMPROVEMENTS THAT DIRECTLY BENEFIT THE ELIGIBLE PROPERTY.**

**(B) DEMOLITION OF STRUCTURES THAT IS NOT RESPONSE ACTIVITY UNDER SECTION 20101 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.20101.**

**(C) LEAD OR ASBESTOS ABATEMENT.**

**(D) SITE PREPARATION THAT IS NOT RESPONSE ACTIVITY UNDER SECTION 20101 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.20101.**

**(iii) PROPERTY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED UNDER THE BROWNFIELD PLAN, IS NOT IN A QUALIFIED LOCAL GOVERNMENTAL UNIT, AND IS A FACILITY.**

**(B) ELIGIBLE PROPERTY INCLUDES PARCELS THAT ARE ADJACENT OR CONTIGUOUS TO THE ELIGIBLE PROPERTY IF THE DEVELOPMENT OF THE ADJACENT OR CONTIGUOUS PARCELS IS ESTIMATED TO INCREASE THE CAPTURED TAXABLE VALUE OF THE PROPERTY OR TAX REVERTED PROPERTY OWNED OR UNDER THE CONTROL OF A LAND BANK FAST TRACK AUTHORITY PURSUANT TO THE LAND BANK FAST TRACK ACT, 2003 PA 258, MCL 124.751 TO 124.774.**

**(C) ELIGIBLE PROPERTY INCLUDES, TO THE EXTENT INCLUDED IN THE BROWNFIELD PLAN, PERSONAL PROPERTY LOCATED ON THE ELIGIBLE PROPERTY.**

**(D) ELIGIBLE PROPERTY DOES NOT INCLUDE QUALIFIED AGRICULTURAL PROPERTY EXEMPT UNDER SECTION 7EE OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7EE, FROM THE TAX LEVIED BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES TO THE EXTENT PROVIDED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.”.**

The question being on the adoption of the amendment offered by Rep. Townsend,

Rep. Townsend demanded the yeas and nays.

The demand was not supported.

The question being on the adoption of the amendment offered by Rep. Townsend,

The amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Hobbs moved to amend the bill as follows:

1. Amend page 43, line 25, after “1998” by striking out the balance of the line.

2. Amend page 177, following line 12, by inserting:

**“SEC. 680B. (1) A QUALIFIED TAXPAYER WITH A REHABILITATION PLAN CERTIFIED AFTER DECEMBER 31, 2007 UNDER SECTION 435 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1435, OR A QUALIFIED TAXPAYER THAT HAS A REHABILITATION PLAN CERTIFIED BEFORE JANUARY 1, 2008 UNDER SECTION 39C OF FORMER 1975 PA 228 FOR THE REHABILITATION OF A HISTORIC RESOURCE FOR WHICH A CERTIFICATION OF COMPLETED REHABILITATION HAS BEEN ISSUED AFTER THE END OF THE TAXPAYER’S LAST TAX YEAR MAY CREDIT AGAINST THE TAX IMPOSED BY THIS PART THE AMOUNT DETERMINED PURSUANT TO SUBSECTION (2) FOR THE QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A HISTORIC RESOURCE PURSUANT TO THE REHABILITATION PLAN IN THE YEAR IN WHICH THE CERTIFICATION OF COMPLETED REHABILITATION OF THE HISTORIC RESOURCE IS ISSUED. ONLY THOSE EXPENDITURES THAT ARE PAID OR INCURRED DURING THE TIME PERIODS PRESCRIBED FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE AND ANY RELATED TREASURY REGULATIONS SHALL BE CONSIDERED QUALIFIED EXPENDITURES.**

**(2) THE CREDIT ALLOWED UNDER THIS SUBSECTION SHALL BE 25% OF THE QUALIFIED EXPENDITURES THAT ARE ELIGIBLE, OR WOULD HAVE BEEN ELIGIBLE EXCEPT THAT THE TAXPAYER ENTERED INTO AN AGREEMENT UNDER SUBSECTION (12), FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE IF THE TAXPAYER IS ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE OR, IF THE TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, 25% OF THE QUALIFIED EXPENDITURES THAT WOULD QUALIFY UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE EXCEPT THAT THE EXPENDITURES ARE MADE TO A HISTORIC RESOURCE THAT IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, SUBJECT TO BOTH OF THE FOLLOWING:**

**(A) A TAXPAYER WITH QUALIFIED EXPENDITURES THAT ARE ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE MAY NOT CLAIM A CREDIT UNDER THIS SECTION FOR THOSE QUALIFIED EXPENDITURES UNLESS THE TAXPAYER HAS CLAIMED AND RECEIVED A CREDIT FOR THOSE QUALIFIED EXPENDITURES UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE OR THE TAXPAYER HAS ENTERED INTO AN AGREEMENT UNDER SUBSECTION (12).**



**(B) A CREDIT UNDER THIS SUBSECTION SHALL BE REDUCED BY THE AMOUNT OF A CREDIT RECEIVED BY THE TAXPAYER FOR THE SAME QUALIFIED EXPENDITURES UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE.**

**(3) TO BE ELIGIBLE FOR THE CREDIT UNDER SUBSECTION (2), THE TAXPAYER SHALL APPLY TO AND RECEIVE FROM THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY THAT THE HISTORIC SIGNIFICANCE, THE REHABILITATION PLAN, AND THE COMPLETED REHABILITATION OF THE HISTORIC RESOURCE MEET THE CRITERIA UNDER SUBSECTION (6) AND EITHER OF THE FOLLOWING:**

**(A) ALL OF THE FOLLOWING CRITERIA:**

**(i) THE HISTORIC RESOURCE CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH IT IS LOCATED.**

**(ii) BOTH THE REHABILITATION PLAN AND COMPLETED REHABILITATION OF THE HISTORIC RESOURCE MEET THE FEDERAL SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR REHABILITATING HISTORIC BUILDINGS, 36 CFR PART 67.**

**(iii) ALL REHABILITATION WORK HAS BEEN DONE TO OR WITHIN THE WALLS, BOUNDARIES, OR STRUCTURES OF THE HISTORIC RESOURCE OR TO HISTORIC RESOURCES LOCATED WITHIN THE PROPERTY BOUNDARIES OF THE PROPERTY.**

**(B) THE TAXPAYER HAS RECEIVED CERTIFICATION FROM THE NATIONAL PARK SERVICE THAT THE HISTORIC RESOURCE'S SIGNIFICANCE, THE REHABILITATION PLAN, AND THE COMPLETED REHABILITATION QUALIFY FOR THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE.**

**(4) IF A QUALIFIED TAXPAYER IS ELIGIBLE FOR THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED TAXPAYER SHALL FILE FOR CERTIFICATION WITH THE AUTHORITY TO QUALIFY FOR THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE. IF THE QUALIFIED TAXPAYER HAS PREVIOUSLY FILED FOR CERTIFICATION WITH THE AUTHORITY TO QUALIFY FOR THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, ADDITIONAL FILING FOR THE CREDIT ALLOWED UNDER THIS SECTION IS NOT REQUIRED.**

**(5) THE AUTHORITY MAY INSPECT A HISTORIC RESOURCE AT ANY TIME DURING THE REHABILITATION PROCESS AND MAY REVOKE CERTIFICATION OF COMPLETED REHABILITATION IF THE REHABILITATION WAS NOT UNDERTAKEN AS REPRESENTED IN THE REHABILITATION PLAN OR IF UNAPPROVED ALTERATIONS TO THE COMPLETED REHABILITATION ARE MADE DURING THE 5 YEARS AFTER THE TAX YEAR IN WHICH THE CREDIT WAS CLAIMED. THE AUTHORITY SHALL PROMPTLY NOTIFY THE DEPARTMENT OF A REVOCATION.**

**(6) QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A HISTORIC RESOURCE MAY BE USED TO CALCULATE THE CREDIT UNDER THIS SECTION IF THE HISTORIC RESOURCE MEETS 1 OF THE CRITERIA LISTED IN SUBDIVISION (A) AND 1 OF THE CRITERIA LISTED IN SUBDIVISION (B):**

**(A) THE RESOURCE IS 1 OF THE FOLLOWING DURING THE TAX YEAR IN WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE QUALIFIED EXPENDITURES:**

**(i) INDIVIDUALLY LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR STATE REGISTER OF HISTORIC SITES.**

**(ii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR THE STATE REGISTER OF HISTORIC SITES.**

**(iii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC DISTRICT DESIGNATED BY A LOCAL UNIT PURSUANT TO AN ORDINANCE ADOPTED UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215.**

**(B) THE RESOURCE MEETS 1 OF THE FOLLOWING CRITERIA DURING THE TAX YEAR IN WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE QUALIFIED EXPENDITURES:**

**(i) THE HISTORIC RESOURCE IS LOCATED IN A DESIGNATED HISTORIC DISTRICT IN A LOCAL UNIT OF GOVERNMENT WITH AN EXISTING ORDINANCE UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215.**

**(ii) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND HAS A POPULATION OF LESS THAN 5,000.**

**(iii) THE HISTORIC RESOURCE IS LOCATED IN AN UNINCORPORATED LOCAL UNIT OF GOVERNMENT.**

**(iv) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND IS LOCATED WITHIN THE BOUNDARIES OF AN ASSOCIATION THAT HAS BEEN CHARTERED UNDER 1889 PA 39, MCL 455.51 TO 455.72.**

**(v) THE HISTORIC RESOURCE IS SUBJECT TO A HISTORIC PRESERVATION EASEMENT.**

(7) A QUALIFIED TAXPAYER MAY ASSIGN ALL OR ANY PORTION OF THE CREDIT ALLOWED UNDER THIS SECTION. A CREDIT ASSIGNMENT UNDER THIS SUBSECTION IS IRREVOCABLE AND SHALL BE MADE IN THE TAX YEAR IN WHICH A CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED. A QUALIFIED TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE REMAINING AMOUNT. IF THE QUALIFIED TAXPAYER BOTH CLAIMS AND ASSIGNS PORTIONS OF THE CREDIT, THE QUALIFIED TAXPAYER SHALL CLAIM THE PORTION IT CLAIMS IN THE TAX YEAR IN WHICH A CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED PURSUANT TO THIS SECTION. AN ASSIGNEE MAY SUBSEQUENTLY ASSIGN THE CREDIT OR ANY PORTION OF THE CREDIT ASSIGNED UNDER THIS SUBSECTION TO 1 OR MORE ASSIGNEES. AN ASSIGNMENT OR SUBSEQUENT REASSIGNMENT OF A CREDIT CAN BE MADE IN THE YEAR THE CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED. A CREDIT ASSIGNMENT OR SUBSEQUENT REASSIGNMENT UNDER THIS SECTION SHALL BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT OR ITS DESIGNEE SHALL REVIEW AND ISSUE A COMPLETED ASSIGNMENT OR REASSIGNMENT CERTIFICATE TO THE ASSIGNEE OR REASSIGNEE. A CREDIT AMOUNT ASSIGNED UNDER THIS SUBSECTION MAY BE CLAIMED AGAINST THE ASSIGNEES' TAX UNDER THIS PART OR UNDER PART 1. AN ASSIGNEE OR SUBSEQUENT REASSIGNEE SHALL ATTACH A COPY OF THE COMPLETED ASSIGNMENT CERTIFICATE TO THE ANNUAL RETURN REQUIRED TO BE FILED UNDER THIS PART OR UNDER PART 1, FOR THE TAX YEAR IN WHICH THE ASSIGNMENT OR REASSIGNMENT IS MADE AND THE ASSIGNEE OR REASSIGNEE FIRST CLAIMS THE CREDIT, WHICH SHALL BE THE SAME TAX YEAR.

(8) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER OCCURS FIRST. IF A QUALIFIED TAXPAYER HAS AN UNUSED CARRYFORWARD OF A CREDIT UNDER THIS SECTION, THE AMOUNT OTHERWISE ADDED UNDER SUBSECTION (9), (10), OR (11) TO THE QUALIFIED TAXPAYER'S TAX LIABILITY MAY INSTEAD BE USED TO REDUCE THE QUALIFIED TAXPAYER'S CARRYFORWARD UNDER THIS SECTION. AN UNUSED CARRYFORWARD OF A CREDIT UNDER SECTION 39C OF FORMER 1975 PA 228 THAT WAS UNUSED AT THE END OF THE LAST TAX YEAR FOR WHICH FORMER 1975 PA 228 WAS IN EFFECT OR UNDER SECTION 435 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1435, MAY BE CLAIMED AGAINST THE TAX IMPOSED UNDER THIS PART FOR THE YEARS THE CARRYFORWARD WOULD HAVE BEEN AVAILABLE UNDER SECTION 39C OF FORMER 1975 PA 228 OR UNDER SECTION 435 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1435. FOR PROJECTS FOR WHICH THE CREDIT AMOUNT ALLOWED IS LESS THAN \$250,000.00, A QUALIFIED TAXPAYER MAY ELECT TO FORGO THE CARRYOVER PERIOD AND RECEIVE A REFUND OF THE AMOUNT OF THE CREDIT THAT EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. THE AMOUNT OF THE REFUND SHALL BE EQUAL TO 90% OF THE AMOUNT OF THE CREDIT THAT EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. AN ELECTION UNDER THIS SUBSECTION SHALL BE MADE IN THE YEAR THAT A CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED AND SHALL BE IRREVOCABLE.

(9) IF THE TAXPAYER SELLS A HISTORIC RESOURCE FOR WHICH A CREDIT WAS CLAIMED UNDER THIS SECTION, UNDER SECTION 39C OF FORMER 1975 PA 228, OR UNDER SECTION 435 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1435, LESS THAN 5 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, THE FOLLOWING PERCENTAGE OF THE CREDIT AMOUNT PREVIOUSLY CLAIMED RELATIVE TO THAT HISTORIC RESOURCE SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE TAXPAYER IN THE YEAR OF THE SALE:

(A) IF THE SALE IS LESS THAN 1 YEAR AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 100%.

(B) IF THE SALE IS AT LEAST 1 YEAR BUT LESS THAN 2 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 80%.

(C) IF THE SALE IS AT LEAST 2 YEARS BUT LESS THAN 3 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 60%.

(D) IF THE SALE IS AT LEAST 3 YEARS BUT LESS THAN 4 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 40%.

(E) IF THE SALE IS AT LEAST 4 YEARS BUT LESS THAN 5 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 20%.

(F) IF THE SALE IS 5 YEARS OR MORE AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, AN ADDBACK TO THE TAXPAYER'S TAX LIABILITY SHALL NOT BE MADE.

(10) IF A CERTIFICATION OF COMPLETED REHABILITATION IS REVOKED UNDER SUBSECTION (5) LESS THAN 5 YEARS AFTER THE YEAR IN WHICH A CREDIT WAS CLAIMED UNDER THIS SECTION,

**UNDER SECTION 39C OF FORMER 1975 PA 228, OR UNDER SECTION 435 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1435, THE FOLLOWING PERCENTAGE OF THE CREDIT AMOUNT PREVIOUSLY CLAIMED RELATIVE TO THAT HISTORIC RESOURCE SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE TAXPAYER IN THE YEAR OF THE REVOCATION:**

**(A) IF THE REVOCATION IS LESS THAN 1 YEAR AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 100%.**

**(B) IF THE REVOCATION IS AT LEAST 1 YEAR BUT LESS THAN 2 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 80%.**

**(C) IF THE REVOCATION IS AT LEAST 2 YEARS BUT LESS THAN 3 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 60%.**

**(D) IF THE REVOCATION IS AT LEAST 3 YEARS BUT LESS THAN 4 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 40%.**

**(E) IF THE REVOCATION IS AT LEAST 4 YEARS BUT LESS THAN 5 YEARS AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 20%.**

**(F) IF THE REVOCATION IS 5 YEARS OR MORE AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, AN ADDBACK TO THE TAXPAYER'S TAX LIABILITY SHALL NOT BE MADE.**

**(11) IF A CERTIFICATE OF COMPLETED REHABILITATION IS REVOKED, A PREAPPROVAL LETTER IS REVOKED, OR A HISTORIC RESOURCE IS SOLD OR DISPOSED OF LESS THAN 5 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE AS DEFINED IN SECTION 47(B)(1) OF THE INTERNAL REVENUE CODE AND RELATED TREASURY REGULATIONS, THE FOLLOWING PERCENTAGE OF THE CREDIT AMOUNT PREVIOUSLY CLAIMED RELATIVE TO THAT HISTORIC RESOURCE SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE QUALIFIED TAXPAYER THAT RECEIVED THE CERTIFICATE OF COMPLETED REHABILITATION AND NOT THE ASSIGNEE IN THE YEAR OF THE REVOCATION:**

**(A) IF THE REVOCATION IS LESS THAN 1 YEAR AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 100%.**

**(B) IF THE REVOCATION IS AT LEAST 1 YEAR BUT LESS THAN 2 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 80%.**

**(C) IF THE REVOCATION IS AT LEAST 2 YEARS BUT LESS THAN 3 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 60%.**

**(D) IF THE REVOCATION IS AT LEAST 3 YEARS BUT LESS THAN 4 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 40%.**

**(E) IF THE REVOCATION IS AT LEAST 4 YEARS BUT LESS THAN 5 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 20%.**

**(F) IF THE REVOCATION IS AT LEAST 5 YEARS OR MORE AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, AN ADDBACK TO THE QUALIFIED TAXPAYER TAX LIABILITY SHALL NOT BE REQUIRED.**

**(12) SUBSECTION (11) SHALL NOT APPLY IF THE QUALIFIED TAXPAYER ENTERS INTO A WRITTEN AGREEMENT WITH THE AUTHORITY THAT WILL ALLOW FOR THE TRANSFER OR SALE OF THE HISTORIC RESOURCE AND PROVIDES THE FOLLOWING:**

**(A) REASONABLE ASSURANCE THAT SUBSEQUENT TO THE TRANSFER THE PROPERTY WILL REMAIN A HISTORIC RESOURCE DURING THE 5-YEAR PERIOD AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE.**

**(B) A METHOD THAT THE DEPARTMENT CAN RECOVER AN AMOUNT FROM THE TAXPAYER EQUAL TO THE APPROPRIATE PERCENTAGE OF CREDIT ADDED BACK AS DESCRIBED UNDER SUBSECTION (11).**

**(C) AN ENCUMBRANCE ON THE TITLE TO THE HISTORIC RESOURCE BEING SOLD OR TRANSFERRED, STATING THAT THE PROPERTY MUST REMAIN A HISTORIC RESOURCE THROUGHOUT THE 5-YEAR PERIOD AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE.**

**(D) A PROVISION FOR THE PAYMENT BY THE TAXPAYER OF ALL LEGAL AND PROFESSIONAL FEES ASSOCIATED WITH THE DRAFTING, REVIEW, AND RECORDING OF THE WRITTEN AGREEMENT REQUIRED UNDER THIS SUBSECTION.**

**(13) THE AUTHORITY MAY IMPOSE A FEE TO COVER THE ADMINISTRATIVE COST OF IMPLEMENTING THE PROGRAM UNDER THIS SECTION.**

**(14) THE QUALIFIED TAXPAYER SHALL ATTACH ALL OF THE FOLLOWING TO THE QUALIFIED TAXPAYER'S ANNUAL RETURN REQUIRED UNDER THIS PART OR UNDER PART 1 ON WHICH THE CREDIT IS CLAIMED:**

**(A) CERTIFICATION OF COMPLETED REHABILITATION.**

**(B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE HISTORIC RESOURCE AND THE QUALIFIED EXPENDITURES USED TO CLAIM A CREDIT UNDER THIS SECTION.**

**(C) A COMPLETED ASSIGNMENT FORM IF THE QUALIFIED TAXPAYER OR ASSIGNEE HAS ASSIGNED ANY PORTION OF A CREDIT ALLOWED UNDER THIS SECTION OR IF THE TAXPAYER IS AN ASSIGNEE OF ANY PORTION OF A CREDIT ALLOWED UNDER THIS SECTION.**

(15) THE AUTHORITY MAY PROMULGATE RULES TO IMPLEMENT THIS SECTION PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

(16) THE TOTAL OF THE CREDITS CLAIMED UNDER THIS PART AND PART 1, FOR A REHABILITATION PROJECT SHALL NOT EXCEED 25% OF THE TOTAL QUALIFIED EXPENDITURES ELIGIBLE FOR THE CREDIT UNDER SUBSECTION (2) FOR THAT REHABILITATION PROJECT.

(17) THE AUTHORITY SHALL REPORT ALL OF THE FOLLOWING TO THE LEGISLATURE ANNUALLY FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR:

(A) THE FEE SCHEDULE USED BY THE AUTHORITY AND THE TOTAL AMOUNT OF FEES COLLECTED.

(B) A DESCRIPTION OF EACH REHABILITATION PROJECT CERTIFIED.

(C) THE LOCATION OF EACH NEW AND ONGOING REHABILITATION PROJECT.

(18) FOR PURPOSES OF THIS SECTION, TAXPAYER INCLUDES A PERSON SUBJECT TO THE TAX IMPOSED UNDER CHAPTER 12 OR 13.

(19) AS USED IN THIS SECTION:

(A) "COMBINED REHABILITATION PLAN" MEANS A REHABILITATION PLAN FOR THE REHABILITATION OF 1 OR MORE HISTORIC RESOURCES THAT ARE LOCATED WITHIN THE SAME GEOGRAPHIC DISTRICT.

(B) "CONTRIBUTING RESOURCE" MEANS A HISTORIC RESOURCE THAT CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH IT IS LOCATED.

(C) "HISTORIC DISTRICT" MEANS AN AREA, OR GROUP OF AREAS NOT NECESSARILY HAVING CONTIGUOUS BOUNDARIES, THAT CONTAINS 1 RESOURCE OR A GROUP OF RESOURCES THAT ARE RELATED BY HISTORY, ARCHITECTURE, ARCHAEOLOGY, ENGINEERING, OR CULTURE.

(D) "HISTORIC RESOURCE" MEANS A PUBLICLY OR PRIVATELY OWNED HISTORIC BUILDING, STRUCTURE, SITE, OBJECT, FEATURE, OR OPEN SPACE LOCATED WITHIN A HISTORIC DISTRICT DESIGNATED BY THE NATIONAL REGISTER OF HISTORIC PLACES, THE STATE REGISTER OF HISTORIC SITES, OR A LOCAL UNIT ACTING UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, OR THAT IS INDIVIDUALLY LISTED ON THE STATE REGISTER OF HISTORIC SITES OR NATIONAL REGISTER OF HISTORIC PLACES, AND INCLUDES ALL OF THE FOLLOWING:

(i) AN OWNER-OCCUPIED PERSONAL RESIDENCE OR A HISTORIC RESOURCE LOCATED WITHIN THE PROPERTY BOUNDARIES OF THAT PERSONAL RESIDENCE.

(ii) AN INCOME-PRODUCING COMMERCIAL, INDUSTRIAL, OR RESIDENTIAL RESOURCE OR A HISTORIC RESOURCE LOCATED WITHIN THE PROPERTY BOUNDARIES OF THAT RESOURCE.

(iii) A RESOURCE OWNED BY A GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY THAT IS USED PRIMARILY BY A TAXPAYER LESSEE IN A TRADE OR BUSINESS UNRELATED TO THE GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY AND THAT IS SUBJECT TO TAX UNDER THIS ACT.

(iv) A RESOURCE THAT IS OCCUPIED OR UTILIZED BY A GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY PURSUANT TO A LONG-TERM LEASE OR LEASE WITH OPTION TO BUY AGREEMENT.

(v) ANY OTHER RESOURCE THAT COULD BENEFIT FROM REHABILITATION.

(E) "LOCAL UNIT" MEANS A COUNTY, CITY, VILLAGE, OR TOWNSHIP.

(F) "LONG-TERM LEASE" MEANS A LEASE TERM OF AT LEAST 27.5 YEARS FOR A RESIDENTIAL RESOURCE OR AT LEAST 31.5 YEARS FOR A NONRESIDENTIAL RESOURCE.

(G) "MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY" OR "AUTHORITY" MEANS THE PUBLIC BODY CORPORATE AND POLITIC CREATED BY SECTION 21 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1421.

(H) "MICHIGAN STRATEGIC FUND" MEANS THE MICHIGAN STRATEGIC FUND CREATED UNDER THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2001 TO 125.2094.

(I) "OPEN SPACE" MEANS UNDEVELOPED LAND, A NATURALLY LANDSCAPED AREA, OR A FORMAL OR MAN-MADE LANDSCAPED AREA THAT PROVIDES A CONNECTIVE LINK OR A BUFFER BETWEEN OTHER RESOURCES.

(J) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION, ASSOCIATION, GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.

(K) "PREAPPROVAL LETTER" MEANS A LETTER ISSUED BY THE AUTHORITY THAT INDICATES THE DATE THAT THE COMPLETE PART 2 APPLICATION WAS RECEIVED AND THE AMOUNT OF THE CREDIT ALLOCATED TO THE PROJECT BASED ON THE ESTIMATED REHABILITATION COST INCLUDED IN THE APPLICATION.

(L) "QUALIFIED EXPENDITURES" MEANS CAPITAL EXPENDITURES THAT QUALIFY, OR WOULD QUALIFY EXCEPT THAT THE TAXPAYER ENTERED INTO AN AGREEMENT UNDER SUBSECTION (12), FOR A REHABILITATION CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE IF



**THE TAXPAYER IS ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE OR, IF THE TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED EXPENDITURES THAT WOULD QUALIFY UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE EXCEPT THAT THE EXPENDITURES ARE MADE TO A HISTORIC RESOURCE THAT IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE THAT WERE PAID. QUALIFIED EXPENDITURES DO NOT INCLUDE CAPITAL EXPENDITURES FOR NONHISTORIC ADDITIONS TO A HISTORIC RESOURCE EXCEPT AN ADDITION THAT IS REQUIRED BY STATE OR FEDERAL REGULATIONS THAT RELATE TO HISTORIC PRESERVATION, SAFETY, OR ACCESSIBILITY.**

**(M) “QUALIFIED TAXPAYER” MEANS A PERSON THAT EITHER OWNS THE RESOURCE TO BE REHABILITATED OR HAS A LONG-TERM LEASE AGREEMENT WITH THE OWNER OF THE HISTORIC RESOURCE AND THAT HAS QUALIFIED EXPENDITURES FOR THE REHABILITATION OF THE HISTORIC RESOURCE EQUAL TO OR GREATER THAN 10% OF THE STATE EQUALIZED VALUATION OF THE PROPERTY. IF THE HISTORIC RESOURCE TO BE REHABILITATED IS A PORTION OF A HISTORIC OR NONHISTORIC RESOURCE, THE STATE EQUALIZED VALUATION OF ONLY THAT PORTION OF THE PROPERTY SHALL BE USED FOR PURPOSES OF THIS SUBDIVISION. IF THE ASSESSOR FOR THE LOCAL TAX COLLECTING UNIT IN WHICH THE HISTORIC RESOURCE IS LOCATED DETERMINES THE STATE EQUALIZED VALUATION OF THAT PORTION, THAT ASSESSOR’S DETERMINATION SHALL BE USED FOR PURPOSES OF THIS SUBDIVISION. IF THE ASSESSOR DOES NOT DETERMINE THAT STATE EQUALIZED VALUATION OF THAT PORTION, QUALIFIED EXPENDITURES, FOR PURPOSES OF THIS SUBDIVISION, SHALL BE EQUAL TO OR GREATER THAN 5% OF THE APPRAISED VALUE AS DETERMINED BY A CERTIFIED APPRAISER. IF THE HISTORIC RESOURCE TO BE REHABILITATED DOES NOT HAVE A STATE EQUALIZED VALUATION, QUALIFIED EXPENDITURES FOR PURPOSES OF THIS SUBDIVISION SHALL BE EQUAL TO OR GREATER THAN 5% OF THE APPRAISED VALUE OF THE RESOURCE AS DETERMINED BY A CERTIFIED APPRAISER.**

**(N) “REHABILITATION PLAN” MEANS A PLAN FOR THE REHABILITATION OF A HISTORIC RESOURCE THAT MEETS THE FEDERAL SECRETARY OF THE INTERIOR’S STANDARDS FOR REHABILITATION AND GUIDELINES FOR REHABILITATION OF HISTORIC BUILDINGS UNDER 36 CFR PART 67.”**

The question being on the adoption of the amendments offered by Rep. Hobbs,

Rep. Hobbs demanded the yeas and nays.

The demand was not supported.

The question being on the adoption of the amendments offered by Rep. Hobbs,

The amendments were not adopted, a majority of the members serving not voting therefor.

Rep. Barnett moved to amend the bill as follows:

1. Amend page 85, line 21, after “household” by striking out the balance of the sentence and inserting a period.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Brown moved to amend the bill as follows:

1. Amend page 183, line 11, after “**DISTRIBUTED**” by striking out the balance of the sentence and inserting “**AS FOLLOWS:**

**(A) AN AMOUNT EQUAL TO THE AMOUNT DISTRIBUTED TO THE SCHOOL AID FUND UNDER SECTION 515 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1515, IN 2010 SHALL BE DISTRIBUTED TO THE SCHOOL AID FUND.**

**(B) THE BALANCE TO THE GENERAL FUND.”**

The question being on the adoption of the amendment offered by Rep. Brown,

Rep. Brown demanded the yeas and nays.

The demand was not supported.

The question being on the adoption of the amendment offered by Rep. Brown,

The amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Jackson moved to amend the bill as follows:

1. Amend page 183, following line 11, by inserting:

**“SEC. 696. (1) THE MICHIGAN FILM OFFICE, WITH THE CONCURRENCE OF THE STATE TREASURER, MAY ENTER INTO AN AGREEMENT WITH AN ELIGIBLE PRODUCTION COMPANY PROVIDING THE COMPANY WITH A CREDIT AGAINST THE TAX IMPOSED BY THIS PART OR AGAINST TAXES WITHHELD UNDER PART 1, AS PROVIDED UNDER THIS SECTION AND SECTION 367. TO QUALIFY**

**FOR THE CREDIT UNDER THIS SECTION, A COMPANY SHALL MEET ALL OF THE FOLLOWING REQUIREMENTS:**

**(A) SPEND AT LEAST \$50,000.00 IN THIS STATE FOR THE DEVELOPMENT, PREPRODUCTION, PRODUCTION, OR POSTPRODUCTION COSTS OF A STATE CERTIFIED QUALIFIED PRODUCTION.**

**(B) ENTER INTO AN AGREEMENT AS PROVIDED IN THIS SECTION.**

**(C) RECEIVE A POSTPRODUCTION CERTIFICATE OF COMPLETION FROM THE OFFICE UNDER SUBSECTION (5).**

**(D) SUBMIT THE POSTPRODUCTION CERTIFICATE OF COMPLETION ISSUED BY THE OFFICE UNDER SUBSECTION (5) TO THE DEPARTMENT UNDER SUBSECTION (8).**

**(E) SHALL NOT BE DELINQUENT IN A TAX OR OTHER OBLIGATION OWED TO THIS STATE OR BE OWNED OR UNDER COMMON CONTROL OF AN ENTITY THAT IS DELINQUENT IN A TAX OR OTHER OBLIGATION OWED TO THIS STATE.**

**(2) FOR DIRECT PRODUCTION EXPENDITURES OR QUALIFIED PERSONNEL EXPENDITURES MADE AFTER DECEMBER 31, 2011, AN AGREEMENT UNDER THIS SECTION MAY PROVIDE FOR AN ELIGIBLE PRODUCTION COMPANY TO CLAIM A TAX CREDIT EQUAL TO 42% OF DIRECT PRODUCTION EXPENDITURES FOR A STATE CERTIFIED QUALIFIED PRODUCTION IN A CORE COMMUNITY, 40% OF DIRECT PRODUCTION EXPENDITURES FOR A STATE CERTIFIED QUALIFIED PRODUCTION IN PART OF THIS STATE OTHER THAN A CORE COMMUNITY, AND 30% FOR QUALIFIED PERSONNEL EXPENDITURES. EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBSECTION, FOR DIRECT PRODUCTION EXPENDITURES OR QUALIFIED PERSONNEL EXPENDITURES MADE AFTER DECEMBER 31, 2011, AN AGREEMENT UNDER THIS SECTION MAY PROVIDE FOR AN ELIGIBLE PRODUCTION COMPANY TO CLAIM A TAX CREDIT EQUAL TO 37% OF DIRECT PRODUCTION EXPENDITURES FOR A STATE CERTIFIED QUALIFIED PRODUCTION IN A CORE COMMUNITY, 35% OF DIRECT PRODUCTION EXPENDITURES FOR A STATE CERTIFIED QUALIFIED PRODUCTION IN PART OF THIS STATE OTHER THAN A CORE COMMUNITY, 30% FOR QUALIFIED PERSONNEL EXPENDITURES ATTRIBUTABLE TO PERSONNEL WHO ARE RESIDENTS OF THIS STATE, AND 25% FOR QUALIFIED PERSONNEL EXPENDITURES ATTRIBUTABLE TO PERSONNEL WHO ARE NOT RESIDENTS OF THIS STATE. FOR A QUALIFIED PRODUCTION THAT PRIMARILY MARKETS A PRODUCT OR SERVICE OTHER THAN A STATE CERTIFIED QUALIFIED PRODUCTION, AN ELIGIBLE PRODUCTION COMPANY MAY CLAIM A TAX CREDIT EQUAL TO 30% OF THE DIRECT PRODUCTION EXPENDITURES AND 30% OF THE QUALIFIED PERSONNEL EXPENDITURES. BEGINNING JANUARY 1, 2012, AN ELIGIBLE PRODUCTION COMPANY SHALL NOT CLAIM MORE THAN 30% FOR DIRECT PRODUCTION EXPENDITURES ATTRIBUTABLE TO PERSONNEL OTHER THAN BELOW THE LINE CREW WHO ARE NOT RESIDENTS OF THIS STATE AND 20% FOR QUALIFIED PERSONNEL EXPENDITURES ATTRIBUTABLE TO BELOW THE LINE CREW WHO ARE NOT RESIDENTS OF THIS STATE. A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION FOR ANY OF THE FOLLOWING:**

**(A) A DIRECT EXPENDITURE, OR QUALIFIED PERSONNEL EXPENDITURE, FOR WHICH THE COMPANY CLAIMS A CREDIT UNDER ANY OTHER PROVISION OF LAW.**

**(B) A DIRECT EXPENDITURE, OR QUALIFIED PERSONNEL EXPENDITURE, FOR WHICH THE COMPANY CLAIMS A CREDIT UNDER SECTION 367.**

**(C) A DIRECT EXPENDITURE, OR QUALIFIED PERSONNEL EXPENDITURE, FOR WHICH ANOTHER TAXPAYER CLAIMS A CREDIT UNDER THIS SECTION, A CREDIT UNDER ANY OTHER PROVISION OF LAW, OR A CREDIT UNDER SECTION 367.**

**(3) AN ELIGIBLE PRODUCTION COMPANY INTENDING TO PRODUCE A QUALIFIED PRODUCTION IN THIS STATE MAY SUBMIT AN APPLICATION TO ENTER INTO AN AGREEMENT UNDER THIS SECTION TO THE MICHIGAN FILM OFFICE. DIRECT PRODUCTION EXPENDITURES AND QUALIFIED PERSONNEL EXPENDITURES INCURRED PRIOR TO APPROVAL OF AN AGREEMENT UNDER THIS SECTION ARE NOT ELIGIBLE FOR THE CREDIT UNDER THIS SECTION. THE REQUEST SHALL BE SUBMITTED IN A FORM PRESCRIBED BY THE MICHIGAN FILM OFFICE AND SHALL BE ACCOMPANIED BY A \$100.00 APPLICATION FEE AND ALL OF THE INFORMATION AND RECORDS REQUESTED BY THE OFFICE. AN APPLICATION FEE RECEIVED BY THE OFFICE UNDER THIS SUBSECTION SHALL BE DEPOSITED IN THE MICHIGAN FILM PROMOTION FUND. THE OFFICE SHALL NOT PROCESS THE APPLICATION UNTIL IT IS COMPLETE. AS PART OF THE APPLICATION, THE COMPANY SHALL ESTIMATE DIRECT PRODUCTION EXPENDITURES AND QUALIFIED PERSONNEL EXPENDITURES FOR AN IDENTIFIED QUALIFIED PRODUCTION. IF THE OFFICE, WITH THE CONCURRENCE OF THE STATE TREASURER, DETERMINES TO ENTER INTO AN AGREEMENT UNDER THIS SECTION, THE AGREEMENT SHALL PROVIDE FOR ALL OF THE FOLLOWING:**

**(A) A REQUIREMENT THAT THE ELIGIBLE PRODUCTION COMPANY COMMENCE WORK IN THIS STATE ON THE IDENTIFIED QUALIFIED PRODUCTION WITHIN 90 DAYS OF THE DATE OF THE AGREEMENT OR ELSE THE AGREEMENT SHALL EXPIRE. HOWEVER, UPON REQUEST SUBMITTED BY THE COMPANY**

**BASED ON GOOD CAUSE, THE OFFICE MAY EXTEND THE PERIOD FOR COMMENCEMENT OF WORK IN THIS STATE FOR UP TO AN ADDITIONAL 90 DAYS.**

**(B) A STATEMENT IDENTIFYING THE COMPANY AND THE QUALIFIED PRODUCTION THAT THE COMPANY INTENDS TO PRODUCE IN WHOLE OR IN PART IN THIS STATE.**

**(C) A UNIQUE NUMBER ASSIGNED TO THE QUALIFIED PRODUCTION BY THE OFFICE.**

**(D) A REQUIREMENT THAT THE QUALIFIED PRODUCTION NOT DEPICT OBSCENE MATTER OR AN OBSCENE PERFORMANCE.**

**(E) IF THE QUALIFIED PRODUCTION IS A LONG-FORM NARRATIVE FILM PRODUCTION, A REQUIREMENT THAT THE QUALIFIED PRODUCTION INCLUDE AN ACKNOWLEDGEMENT THAT THE QUALIFIED PRODUCTION WAS FILMED IN THIS STATE.**

**(F) A REQUIREMENT THAT THE COMPANY PROVIDE THE OFFICE WITH THE INFORMATION AND INDEPENDENT CERTIFICATION THE OFFICE AND THE DEPARTMENT DEEM NECESSARY TO VERIFY DIRECT PRODUCTION EXPENDITURES, QUALIFIED PERSONNEL EXPENDITURES, AND ELIGIBILITY FOR THE CREDIT UNDER THIS SECTION.**

**(G) IF DETERMINED TO BE NECESSARY BY THE OFFICE AND THE STATE TREASURER, A PROVISION FOR ADDRESSING EXPENDITURES IN EXCESS OF THOSE IDENTIFIED IN THE AGREEMENT.**

**(4) IN DETERMINING WHETHER TO ENTER INTO AN AGREEMENT UNDER THIS SECTION, THE MICHIGAN FILM OFFICE AND THE STATE TREASURER SHALL CONSIDER ALL OF THE FOLLOWING:**

**(A) THE POTENTIAL THAT IN THE ABSENCE OF THE CREDIT THE QUALIFIED PRODUCTION WILL BE PRODUCED IN A LOCATION OTHER THAN THIS STATE.**

**(B) THE EXTENT TO WHICH THE QUALIFIED PRODUCTION MAY HAVE THE EFFECT OF PROMOTING THIS STATE AS A TOURIST DESTINATION.**

**(C) THE EXTENT TO WHICH THE QUALIFIED PRODUCTION MAY HAVE THE EFFECT OF PROMOTING ECONOMIC DEVELOPMENT OR JOB CREATION IN THIS STATE.**

**(D) THE EXTENT TO WHICH THE CREDIT WILL ATTRACT PRIVATE INVESTMENT FOR THE PRODUCTION OF QUALIFIED PRODUCTIONS IN THIS STATE.**

**(E) THE RECORD OF THE ELIGIBLE PRODUCTION COMPANY IN COMPLETING COMMITMENTS TO ENGAGE IN A QUALIFIED PRODUCTION.**

**(5) IF THE MICHIGAN FILM OFFICE DETERMINES THAT AN ELIGIBLE PRODUCTION COMPANY HAS COMPLIED WITH THE TERMS OF AN AGREEMENT ENTERED INTO UNDER THIS SECTION, THE OFFICE SHALL ISSUE A POSTPRODUCTION CERTIFICATE OF COMPLETION TO THE COMPANY. THE COMPANY SHALL SUBMIT A REQUEST TO THE OFFICE FOR A POSTPRODUCTION CERTIFICATE OF COMPLETION ON A FORM PRESCRIBED BY THE OFFICE, ALONG WITH ANY INFORMATION OR INDEPENDENT CERTIFICATION THE OFFICE OR THE DEPARTMENT DEEMS NECESSARY. THE OFFICE SHALL PROCESS EACH REQUEST WITHIN 60 DAYS AFTER THE REQUEST IS COMPLETE. HOWEVER, THE OFFICE MAY REQUEST ADDITIONAL INFORMATION OR INDEPENDENT CERTIFICATION BEFORE ISSUING A POSTPRODUCTION CERTIFICATE OF COMPLETION AND NEED NOT ISSUE THE POSTPRODUCTION CERTIFICATE OF COMPLETION UNTIL SATISFIED THAT DIRECT PRODUCTION EXPENDITURES, QUALIFIED PERSONNEL EXPENDITURES, AND ELIGIBILITY ARE ADEQUATELY ESTABLISHED. THE ADDITIONAL INFORMATION REQUESTED MAY INCLUDE A REPORT OF DIRECT PRODUCTION EXPENDITURES AND QUALIFIED PERSONNEL EXPENDITURES FOR THE QUALIFIED PRODUCTION AUDITED AND CERTIFIED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT. EACH POSTPRODUCTION CERTIFICATE OF COMPLETION SHALL BE SIGNED BY THE MICHIGAN FILM COMMISSIONER AND SHALL INCLUDE THE FOLLOWING INFORMATION:**

**(A) THE NAME OF THE ELIGIBLE PRODUCTION COMPANY.**

**(B) THE NAME OF THE CERTIFIED PRODUCTION PRODUCED IN WHOLE OR IN PART IN THIS STATE.**

**(C) THE ELIGIBLE PRODUCTION COMPANY'S DIRECT PRODUCTION EXPENDITURES AND QUALIFIED PERSONNEL EXPENDITURES FOR THE QUALIFIED PRODUCTION.**

**(D) THE DATE OF COMPLETION FOR THE QUALIFIED PRODUCTION IN THIS STATE.**

**(E) THE UNIQUE NUMBER ASSIGNED TO THE QUALIFIED PRODUCTION PROJECT BY THE MICHIGAN FILM OFFICE UNDER SUBSECTION (3).**

**(F) THE ELIGIBLE PRODUCTION COMPANY'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR MICHIGAN TREASURY NUMBER.**

**(G) ANY INDEPENDENT CERTIFICATION REQUIRED BY THE DEPARTMENT OR THE MICHIGAN FILM OFFICE.**

**(6) INFORMATION, RECORDS, OR OTHER DATA RECEIVED, PREPARED, USED, OR RETAINED BY THE MICHIGAN FILM OFFICE UNDER THIS SECTION THAT ARE SUBMITTED BY AN ELIGIBLE PRODUCTION COMPANY AND CONSIDERED BY THE TAXPAYER AND ACKNOWLEDGED BY THE OFFICE AS CONFIDENTIAL SHALL NOT BE SUBJECT TO THE DISCLOSURE REQUIREMENTS OF THE FREEDOM**



OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. INFORMATION, RECORDS, OR OTHER DATA SHALL ONLY BE CONSIDERED CONFIDENTIAL TO THE EXTENT THAT THE INFORMATION OR RECORDS DESCRIBE THE COMMERCIAL AND FINANCIAL OPERATIONS OR INTELLECTUAL PROPERTY OF THE COMPANY, THE INFORMATION OR RECORDS HAVE NOT BEEN PUBLICLY DISSEMINATED AT ANY TIME, AND DISCLOSURE OF THE INFORMATION OR RECORDS MAY PUT THE COMPANY AT A COMPETITIVE DISADVANTAGE. FOR PURPOSES OF THIS SUBSECTION, INFORMATION OR RECORDS THAT DESCRIBE COMMERCIAL AND FINANCIAL OPERATIONS DO NOT INCLUDE THAT PORTION OF INFORMATION OR RECORDS THAT INCLUDE ANY EXPENSES THAT QUALIFY UNDER THIS SECTION AS QUALIFIED PERSONNEL EXPENDITURES OR DIRECT PRODUCTION EXPENDITURES AND FOR WHICH A CREDIT MAY BE CLAIMED.

(7) THE MICHIGAN FILM OFFICE SHALL, ON JANUARY 15 AND JULY 15 IN EACH YEAR, MAKE AVAILABLE ON ITS WEBSITE A DETAILED SEMIANNUAL REPORT THAT INCLUDES, AT A MINIMUM, ALL OF THE FOLLOWING:

(A) THE NUMBER OF APPLICATIONS RECEIVED FOR A CREDIT UNDER THIS SECTION IN THE IMMEDIATELY PRECEDING 6 MONTHS, INCLUDING THE NAME OF THE ELIGIBLE PRODUCTION COMPANY THAT SUBMITTED THE APPLICATION AND A BRIEF DESCRIPTION OF THE PROPOSED QUALIFIED PRODUCTION, INCLUDING THE LOCATIONS IN THIS STATE TO BE USED IN THE PRODUCTION AND THE PROPOSED AMOUNT OF MONEY TO BE EXPENDED BY THE ELIGIBLE PRODUCTION COMPANY TO PRODUCE THE QUALIFIED PRODUCTION IN THIS STATE.

(B) THE NUMBER OF APPLICATIONS APPROVED DURING THE IMMEDIATELY PRECEDING 6 MONTHS.

(C) THE NUMBER OF POSTPRODUCTION CERTIFICATES OF COMPLETION ISSUED DURING THE IMMEDIATELY PRECEDING 6 MONTHS AND THE TOTAL AMOUNT OF CREDITS CERTIFIED UNDER THOSE POSTPRODUCTION CERTIFICATES OF COMPLETION.

(8) AN ELIGIBLE PRODUCTION COMPANY SHALL SUBMIT A POSTPRODUCTION CERTIFICATE OF COMPLETION ISSUED UNDER SUBSECTION (5) TO THE DEPARTMENT. THE MICHIGAN FILM OFFICE SHALL FORWARD A COPY OF EACH POSTPRODUCTION CERTIFICATE OF COMPLETION ISSUED PURSUANT TO THIS SUBSECTION TO THE GOVERNOR, THE PRESIDENT OF THE MICHIGAN STRATEGIC FUND, THE CHAIRPERSON OF THE SENATE FINANCE COMMITTEE, THE CHAIRPERSON OF THE HOUSE TAX POLICY COMMITTEE, THE DIRECTOR OF THE SENATE FISCAL AGENCY, AND THE DIRECTOR OF THE HOUSE FISCAL AGENCY. IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX LIABILITY OF THE COMPANY FOR THE TAX YEAR OR IF THE COMPANY CLAIMING THE CREDIT DOES NOT HAVE A TAX LIABILITY UNDER THIS PART FOR THE TAX YEAR, THE DEPARTMENT SHALL REFUND THE EXCESS OR PAY THE AMOUNT OF THE CREDIT TO THE COMPANY. THE DEPARTMENT SHALL, AS SOON AS THE INFORMATION IS AVAILABLE, ANNUALLY REPORT TO THE GOVERNOR, THE PRESIDENT OF THE MICHIGAN STRATEGIC FUND, THE CHAIRPERSON OF THE SENATE FINANCE COMMITTEE, THE CHAIRPERSON OF THE HOUSE TAX POLICY COMMITTEE, THE DIRECTOR OF THE SENATE FISCAL AGENCY, AND THE DIRECTOR OF THE HOUSE FISCAL AGENCY THE TOTAL AMOUNT OF THE CREDITS CERTIFIED UNDER THIS SECTION THAT EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE MOST RECENT YEAR THAT TAX INFORMATION IS AVAILABLE AND FOR WHICH RETURNS HAVE CLEARED AND BEEN PROCESSED. THE CREDIT UNDER THIS SECTION SHALL BE CLAIMED AFTER ALL OTHER CREDITS UNDER THIS PART.

(9) AN ELIGIBLE PRODUCTION COMPANY MAY ASSIGN ALL OR A PORTION OF A CREDIT UNDER THIS SECTION TO ANY ASSIGNEE. AN ASSIGNEE MAY SUBSEQUENTLY ASSIGN A CREDIT OR ANY PORTION OF A CREDIT ASSIGNED UNDER THIS SUBSECTION TO 1 OR MORE ASSIGNEES. A COMPANY MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE REMAINING CREDIT AMOUNT. A CREDIT ASSIGNMENT UNDER THIS SUBSECTION IS IRREVOCABLE. THE CREDIT ASSIGNMENT UNDER THIS SUBSECTION SHALL BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT. THE QUALIFIED TAXPAYER SHALL SEND A COPY OF THE COMPLETED ASSIGNMENT FORM TO THE DEPARTMENT IN THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE AND SHALL ATTACH A COPY OF THE FORM TO THE RETURN ON WHICH THE CREDIT IS CLAIMED.

(10) THE AMOUNT OF THE CREDIT UNDER THIS SECTION SHALL BE REDUCED BY A CREDIT APPLICATION AND REDEMPTION FEE EQUAL TO 0.5% OF THE CREDIT CLAIMED, WHICH SHALL BE DEDUCTED FROM THE CREDIT OTHERWISE PAYABLE TO THE TAXPAYER CLAIMING THE CREDIT AND BE DEPOSITED BY THE DEPARTMENT IN THE MICHIGAN FILM PROMOTION FUND.

(11) A TAXPAYER THAT WILLFULLY SUBMITS INFORMATION UNDER THIS SECTION THAT THE TAXPAYER KNOWS TO BE FRAUDULENT OR FALSE SHALL, IN ADDITION TO ANY OTHER PENALTIES PROVIDED BY LAW, BE LIABLE FOR A CIVIL PENALTY EQUAL TO THE AMOUNT OF THE TAXPAYER'S CREDIT UNDER THIS SECTION. A PENALTY COLLECTED UNDER THIS SECTION SHALL BE DEPOSITED IN THE MICHIGAN FILM PROMOTION FUND.

(12) NOT LATER THAN MARCH 1 OF EACH YEAR AFTER 2008, THE MICHIGAN FILM OFFICE SHALL SUBMIT TO THE GOVERNOR, THE PRESIDENT OF THE MICHIGAN STRATEGIC FUND, THE CHAIRPERSON OF THE SENATE FINANCE COMMITTEE, THE CHAIRPERSON OF THE HOUSE TAX POLICY COMMITTEE, THE DIRECTOR OF THE SENATE FISCAL AGENCY, AND THE DIRECTOR OF THE HOUSE FISCAL AGENCY AN ANNUAL REPORT CONCERNING THE OPERATION AND EFFECTIVENESS OF THE CREDIT UNDER THIS SECTION. THE REQUIREMENTS OF SECTION 28(1)(F) OF 1941 PA 122, MCL 205.28, DO NOT APPLY TO DISCLOSURE OF TAX INFORMATION REQUIRED BY THIS SUBSECTION. THE REPORT SHALL INCLUDE ALL OF THE FOLLOWING:

(A) A BRIEF ASSESSMENT OF THE OVERALL EFFECTIVENESS OF THE CREDIT UNDER THIS SECTION AT ATTRACTING QUALIFIED PRODUCTIONS TO THIS STATE DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR.

(B) THE NUMBER OF QUALIFIED PRODUCTIONS FOR WHICH THE ELIGIBLE PRODUCTION COMPANY APPLIED FOR A TAX CREDIT UNDER THIS SECTION DURING THE IMMEDIATELY PRECEDING YEAR, THE NAMES OF THE QUALIFIED PRODUCTIONS PRODUCED IN THIS STATE FOR WHICH CREDITS WERE BEGUN OR COMPLETED IN THE IMMEDIATELY PRECEDING YEAR, AND THE LOCATIONS IN THIS STATE THAT WERE USED IN THE PRODUCTION OF QUALIFIED PRODUCTIONS IN THE IMMEDIATELY PRECEDING CALENDAR YEAR.

(C) THE AMOUNT OF MONEY SPENT BY EACH ELIGIBLE PRODUCTION COMPANY IDENTIFIED IN SUBDIVISION (B) TO PRODUCE EACH QUALIFIED PRODUCTION IN THIS STATE AND A BREAKDOWN OF ALL PRODUCTION SPENDING BY ALL COMPANIES CLASSIFIED AS GOODS, SERVICES, OR SALARIES AND WAGES IN THE IMMEDIATELY PRECEDING CALENDAR YEAR.

(D) THE NUMBER OF BELOW THE LINE CREW EMPLOYED IN THIS STATE BY ELIGIBLE PRODUCTION COMPANIES THAT QUALIFIED FOR THE CREDIT UNDER THIS SECTION IN THE IMMEDIATELY PRECEDING CALENDAR YEAR, HOW MANY OF THOSE PERSONS EMPLOYED WERE RESIDENTS OF THIS STATE AND NOT INCLUDED IN QUALIFIED PERSONNEL EXPENDITURES, AND THE TOTAL NUMBER OF HOURS WORKED ON THE QUALIFIED PRODUCTION FOR WHICH A CREDIT IS GRANTED.

(E) THE NUMBER OF ABOVE THE LINE PERSONNEL EMPLOYED IN THIS STATE BY THE ELIGIBLE PRODUCTION COMPANIES THAT QUALIFIED FOR THE CREDIT UNDER THIS SECTION IN THE IMMEDIATELY PRECEDING CALENDAR YEAR AND HOW MANY OF THOSE PERSONNEL EMPLOYED WERE RESIDENTS OF THIS STATE. FOR PURPOSES OF THIS SUBDIVISION, ABOVE THE LINE PERSONNEL MEANS PERSONNEL WHO ARE NOT BELOW THE LINE CREW.

(F) THE NUMBER OF PERSONS EMPLOYED IN THIS STATE BY THE ELIGIBLE PRODUCTION COMPANIES THAT QUALIFIED FOR THE CREDIT UNDER THIS SECTION IN THE IMMEDIATELY PRECEDING CALENDAR YEAR THAT EARNED MORE THAN \$250,000.00 ON A QUALIFIED PRODUCTION AND HOW MANY OF THOSE PERSONS WERE RESIDENTS OF THIS STATE.

(G) THE VALUE OF ALL TAX CREDIT CERTIFICATES OF COMPLETION ISSUED UNDER THIS SECTION IN THE IMMEDIATELY PRECEDING CALENDAR YEAR.

(H) THE AMOUNT KNOWN BY THE MICHIGAN FILM OFFICE OF OTHER STATE AND LOCAL ASSISTANCE PROVIDED TO ELIGIBLE PRODUCTION COMPANIES IN ADDITION TO THE TAX CREDIT UNDER THIS SECTION.

(13) AS USED IN THIS SECTION:

(A) "BELOW THE LINE CREW" MEANS THAT TERM AS DEFINED UNDER SECTION 459.

(B) "CORE COMMUNITY" MEANS A QUALIFIED LOCAL GOVERNMENTAL UNIT AS DEFINED UNDER SECTION 2 OF THE OBSOLETE PROPERTY REHABILITATION ACT, 2000 PA 146, MCL 125.2782.

(C) "DIRECT PRODUCTION EXPENDITURE" MEANS A DEVELOPMENT, PREPRODUCTION, PRODUCTION, OR POSTPRODUCTION EXPENDITURE MADE IN THIS STATE THAT IS NOT A QUALIFIED PERSONNEL EXPENDITURE DIRECTLY ATTRIBUTABLE TO THE PRODUCTION OR DISTRIBUTION OF A QUALIFIED PRODUCTION THAT IS A TRANSACTION SUBJECT TO TAXATION IN THIS STATE, INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

(i) PAYMENTS TO VENDORS DOING BUSINESS IN THIS STATE TO PURCHASE OR USE TANGIBLE PERSONAL PROPERTY IN PRODUCING OR DISTRIBUTING THE QUALIFIED PRODUCTION OR TO PURCHASE SERVICES RELATING TO THE PRODUCTION OR DISTRIBUTION OF THE QUALIFIED PRODUCTION, INCLUDING ALL OF THE FOLLOWING:

(A) EXPENDITURES FOR OPTIONING OR PURCHASING INTELLECTUAL PROPERTY INCLUDING, BUT NOT LIMITED TO, BOOKS, SCRIPTS, MUSIC, OR TRADEMARKS RELATING TO THE DEVELOPMENT OR PURCHASE OF A SCRIPT, STORY, SCENARIO, SCREENPLAY, OR FORMAT, INCLUDING ALL EXPENDITURES GENERALLY ASSOCIATED WITH THE OPTIONING OR PURCHASE OF INTELLECTUAL PROPERTY, INCLUDING OPTION MONEY, AGENT FEES, AND ATTORNEY FEES RELATING TO THE TRANSACTION, BUT NOT INCLUDING DEFERRALS, DEFERMENTS, ROYALTIES, PROFIT PARTICIPATION, OR RECOURSE

**OR NONRECOURSE LOANS NEGOTIATED BY THE ELIGIBLE PRODUCTION COMPANY TO OBTAIN THE RIGHTS TO THE INTELLECTUAL PROPERTY.**

**(B) PRODUCTION WORK, PRODUCTION EQUIPMENT, PRODUCTION SOFTWARE, DEVELOPMENT WORK, POSTPRODUCTION WORK, POSTPRODUCTION EQUIPMENT, POSTPRODUCTION SOFTWARE, SET DESIGN, SET CONSTRUCTION, SET OPERATIONS, PROPS, LIGHTING, WARDROBE, MAKEUP, MAKEUP ACCESSORIES, PHOTOGRAPHY, SOUND SYNCHRONIZATION, SPECIAL EFFECTS, VISUAL EFFECTS, AUDIO EFFECTS, FILM PROCESSING, MUSIC, SOUND MIXING, EDITING, AND RELATED SERVICES AND MATERIALS.**

**(C) USE OF FACILITIES OR EQUIPMENT, USE OF SOUNDSTAGES OR STUDIOS, LOCATION FEES, AND RELATED SERVICES AND MATERIALS.**

**(D) CATERING, FOOD, LODGING, AND RELATED SERVICES AND MATERIALS.**

**(E) INSURANCE COVERAGE OR BONDING IF PURCHASED FROM AN INSURANCE AGENT BASED IN THIS STATE.**

**(F) EXPENDITURES FOR DISTRIBUTION, INCLUDING, BUT NOT LIMITED TO, BOTH OF THE FOLLOWING:**

**(I) PREPRODUCTION, PRODUCTION, OR POSTPRODUCTION COSTS RELATING TO THE CREATION OF TRAILERS, MARKETING VIDEOS, COMMERCIALS, POINT-OF-PURCHASE VIDEOS, AND CONTENT CREATED ON FILM OR DIGITAL MEDIA, INCLUDING, BUT NOT LIMITED TO, THE DUPLICATION OF FILMS, VIDEOS, COMPACT DISCS, DIGITAL VIDEO DISCS, AND DIGITAL FILES OR OTHER DIGITAL MEDIA CREATED FOR CONSUMER CONSUMPTION.**

**(II) PURCHASE OF EQUIPMENT RELATING TO THE DUPLICATION OR MARKET DISTRIBUTION OF ANY CONTENT CREATED OR PRODUCED IN THIS STATE.**

**(G) OTHER EXPENDITURES FOR PRODUCTION OF A QUALIFIED PRODUCTION IN ACCORDANCE WITH GENERALLY ACCEPTED ENTERTAINMENT INDUSTRY PRACTICES.**

**(ii) PAYMENTS AND COMPENSATION, NOT TO EXCEED \$1,000,000.00 FOR ANY 1 EMPLOYEE OR CONTRACTUAL OR SALARIED EMPLOYEE AND NOT TO EXCEED 5.0% OF THE TOTAL BUDGET OF THE QUALIFIED PRODUCTION FOR A PRODUCER WHO IS NOT A RESIDENT OF THIS STATE AND NOT TO EXCEED 10.0% FOR A PRODUCER WHO IS A RESIDENT OF THIS STATE WHO PERFORMS SERVICES IN THIS STATE FOR THE PRODUCTION OR DISTRIBUTION OF A QUALIFIED PRODUCTION, INCLUDING ALL OF THE FOLLOWING:**

**(A) PAYMENT OF WAGES, BENEFITS, OR FEES FOR TALENT, MANAGEMENT, OR LABOR.**

**(B) PAYMENT TO A PERSONAL SERVICES CORPORATION OR PROFESSIONAL EMPLOYER ORGANIZATION FOR THE SERVICES OF A PERFORMING ARTIST OR CREW MEMBER IF THE PERSONAL SERVICES CORPORATION OR PROFESSIONAL EMPLOYER ORGANIZATION IS SUBJECT TO THE TAX LEVIED UNDER THIS PART ON THE PORTION OF THE PAYMENT QUALIFYING FOR THE TAX CREDIT UNDER THIS SECTION AND THE PAYMENTS RECEIVED BY THE PERFORMING ARTIST OR CREW MEMBER THAT ARE SUBJECT TO TAXATION UNDER PART 1, AND ARE WITHHELD AND PAID TO THIS STATE IN THE AMOUNT PROVIDED UNDER SECTION 351.**

**(D) "ELIGIBLE PRODUCTION COMPANY" OR "COMPANY" MEANS AN ENTITY IN THE BUSINESS OF PRODUCING QUALIFIED PRODUCTIONS, BUT DOES NOT INCLUDE AN ENTITY THAT IS MORE THAN 30% OWNED, AFFILIATED, OR CONTROLLED BY AN ENTITY OR INDIVIDUAL WHO IS IN DEFAULT ON A LOAN MADE BY THIS STATE, A LOAN GUARANTEED BY THIS STATE, OR A LOAN MADE OR GUARANTEED BY ANY OTHER STATE.**

**(E) "INTERACTIVE WEBSITE" MEANS A WEBSITE, THE PRODUCTION COSTS OF WHICH EXCEED \$500,000.00 IN AN ANNUAL PERIOD AND PRIMARILY INCLUDES INTERACTIVE GAMES, END USER APPLICATIONS, ANIMATION, SIMULATION, SOUND, GRAPHICS, STORY LINES, OR VIDEO CREATED OR REPURPOSED FOR DISTRIBUTION OVER THE INTERNET. INTERACTIVE WEBSITE DOES NOT INCLUDE A WEBSITE PRIMARILY USED FOR INSTITUTIONAL, PRIVATE, INDUSTRIAL, RETAIL, OR WHOLESALE MARKETING OR PROMOTIONAL PURPOSES, OR WHICH CONTAINS OBSCENE MATTER OR AN OBSCENE PERFORMANCE.**

**(F) "MICHIGAN FILM OFFICE" OR "OFFICE" MEANS THE MICHIGAN FILM OFFICE CREATED UNDER CHAPTER 2A OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2029 TO 125.2029G.**

**(G) "MICHIGAN FILM PROMOTION FUND" MEANS THE FUND CREATED UNDER CHAPTER 2A OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2029 TO 125.2029G.**

**(H) "OBSCENE MATTER OR AN OBSCENE PERFORMANCE" MEANS MATTER DESCRIBED IN 1984 PA 343, MCL 752.361 TO 752.374.**

**(I) "POSTPRODUCTION EXPENDITURE" MEANS A DIRECT EXPENDITURE FOR EDITING, FOLEY RECORDING, AUTOMATIC DIALOGUE REPLACEMENT, SOUND EDITING, SPECIAL OR VISUAL EFFECTS INCLUDING COMPUTER-GENERATED IMAGERY OR OTHER EFFECTS, SCORING AND MUSIC EDITING,**

**BEGINNING AND END CREDITS, NEGATIVE CUTTING, SOUNDTRACK PRODUCTION, DUBBING, SUBTITLING, OR ADDITION OF SOUND OR VISUAL EFFECTS. POSTPRODUCTION EXPENDITURE INCLUDES DIRECT EXPENDITURES FOR ADVERTISING, MARKETING, DISTRIBUTION, OR RELATED EXPENSES.**

**(J) "QUALIFIED PERSONNEL EXPENDITURE" MEANS AN EXPENDITURE MADE IN THIS STATE DIRECTLY ATTRIBUTABLE TO THE PRODUCTION OR DISTRIBUTION OF A QUALIFIED PRODUCTION THAT IS A TRANSACTION SUBJECT TO TAXATION IN THIS STATE AND IS A PAYMENT OR COMPENSATION PAYABLE TO BELOW THE LINE CREW FOR BELOW THE LINE CREW MEMBERS WHO WERE NOT RESIDENTS OF THIS STATE FOR AT LEAST 60 DAYS BEFORE APPROVAL OF THE AGREEMENT FOR THE QUALIFIED PRODUCTION UNDER SUBSECTION (3), NOT TO EXCEED \$1,000,000.00 FOR ANY 1 EMPLOYEE OR CONTRACTUAL OR SALARIED EMPLOYEE WHO PERFORMS SERVICE IN THIS STATE FOR THE PRODUCTION OF A QUALIFIED PRODUCTION, INCLUDING BOTH OF THE FOLLOWING:**

**(i) PAYMENT OF WAGES, BENEFITS, OR FEES.**

**(ii) PAYMENT TO A PERSONAL SERVICES CORPORATION OR PROFESSIONAL EMPLOYER ORGANIZATION FOR THE SERVICES OF A PERFORMING ARTIST OR CREW MEMBER IF THE PERSONAL SERVICES CORPORATION OR PROFESSIONAL EMPLOYER ORGANIZATION IS SUBJECT TO THE TAX LEVIED UNDER THIS PART ON THE PORTION OF THE PAYMENT QUALIFYING FOR THE TAX CREDIT UNDER THIS SECTION AND THE PAYMENTS RECEIVED BY THE PERFORMING ARTIST OR CREW MEMBER THAT ARE SUBJECT TO TAXATION UNDER THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1 TO 206.532, AND ARE WITHHELD AND PAID TO THIS STATE IN THE AMOUNT PROVIDED UNDER SECTION 351 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.351.**

**(K) "STATE CERTIFIED QUALIFIED PRODUCTION" OR "QUALIFIED PRODUCTION" MEANS SINGLE MEDIA OR MULTIMEDIA ENTERTAINMENT CONTENT CREATED IN WHOLE OR IN PART IN THIS STATE FOR DISTRIBUTION OR EXHIBITION TO THE GENERAL PUBLIC IN 2 OR MORE STATES BY ANY MEANS AND MEDIA IN ANY DIGITAL MEDIA FORMAT, FILM, OR VIDEO TAPE, INCLUDING, BUT NOT LIMITED TO, A MOTION PICTURE, A DOCUMENTARY, A TELEVISION SERIES, A TELEVISION MINISERIES, A TELEVISION SPECIAL, INTERSTITIAL TELEVISION PROGRAMMING, LONG-FORM TELEVISION, INTERACTIVE TELEVISION, MUSIC VIDEOS, INTERACTIVE GAMES, VIDEO GAMES, COMMERCIALS, INTERNET PROGRAMMING, AN INTERNET VIDEO, A SOUND RECORDING, A VIDEO, DIGITAL ANIMATION, OR AN INTERACTIVE WEBSITE. QUALIFIED PRODUCTION ALSO INCLUDES ANY TRAILER, PILOT, VIDEO TEASER, OR DEMO CREATED PRIMARILY TO STIMULATE THE SALE, MARKETING, PROMOTION, OR EXPLOITATION OF FUTURE INVESTMENT IN A PRODUCTION. QUALIFIED PRODUCTION DOES NOT INCLUDE ANY OF THE FOLLOWING:**

**(i) A PRODUCTION FOR WHICH RECORDS ARE REQUIRED TO BE MAINTAINED WITH RESPECT TO ANY PERFORMER IN THE PRODUCTION UNDER 18 USC 2257.**

**(ii) A PRODUCTION THAT INCLUDES OBSCENE MATTER OR AN OBSCENE PERFORMANCE.**

**(iii) A PRODUCTION THAT PRIMARILY CONSISTS OF TELEVISED NEWS OR CURRENT EVENTS.**

**(iv) A PRODUCTION THAT PRIMARILY CONSISTS OF A LIVE SPORTING EVENT.**

**(v) A PRODUCTION THAT PRIMARILY CONSISTS OF POLITICAL ADVERTISING.**

**(vi) A RADIO PROGRAM.**

**(vii) A WEATHER SHOW.**

**(viii) A FINANCIAL MARKET REPORT.**

**(ix) A TALK SHOW.**

**(x) A GAME SHOW.**

**(xi) AN AWARDS SHOW OR OTHER GALA EVENT PRODUCTION.**

**(xii) A PRODUCTION WITH THE PRIMARY PURPOSE OF FUND-RAISING.**

**(xiii) A PRODUCTION THAT PRIMARILY IS FOR EMPLOYEE TRAINING OR IN-HOUSE CORPORATE ADVERTISING OR OTHER SIMILAR PRODUCTION.**

**(l) "SOUND RECORDING" MEANS A RECORDING OF MUSIC, POETRY, OR SPOKEN-WORD PERFORMANCE, BUT DOES NOT INCLUDE THE AUDIO PORTIONS SPOKEN AND RECORDED AS PART OF A MOTION PICTURE, VIDEO, THEATRICAL PRODUCTION, TELEVISION NEWS COVERAGE, OR ATHLETIC EVENT.**

**(M) "STATE CERTIFIED QUALIFIED PRODUCTION" MEANS A QUALIFIED PRODUCTION FOR WHICH A POSTPRODUCTION CERTIFICATE OF COMPLETION HAS BEEN ISSUED BY THE OFFICE UNDER SUBSECTION (5)."**

2. Amend page 183, line 22, after "276," by striking out "367,".

3. Amend page 183, line 26, after "206.267," by striking out "206.367,".

The question being on the adoption of the amendments offered by Rep. Jackson, Rep. Jackson demanded the yeas and nays.

The demand was not supported.



The question being on the adoption of the amendments offered by Rep. Jackson,  
The amendments were not adopted, a majority of the members serving not voting therefor.  
Rep. Gilbert moved that the bill be placed on the order of Third Reading of Bills.  
The motion prevailed.

**House Bill No. 4362, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending sections 107 and 117 (MCL 208.1107 and 208.1117), section 117 as amended by 2009 PA 142, and by adding section 500; and to repeal acts and parts of acts.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Tax Policy,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Gilbert moved to amend the bill as follows:

1. Amend page 6, line 10, after "ACT" by inserting a comma and "IF ANY".
2. Amend page 6, line 15, after "ACT" by inserting a comma and "IF ANY".
3. Amend page 23, line 24, after "ACT" by inserting a comma and "IF ANY,".
4. Amend page 23, line 26, after "ACT" by inserting a comma and "IF ANY,".
5. Amend page 24, line 9, after the first "THE" by striking out "APPLICATION" and inserting "SUBTRACTION".
6. Amend page 24, line 14, by striking out "NET OPERATING" and inserting "BUSINESS".
7. Amend page 25, line 1, after "SHALL" by striking out the balance of the sentence and inserting "BE REFUNDED THAT AMOUNT.".

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

Rep. Gilbert moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**House Bill No. 4479, entitled**

A bill to amend 1969 PA 343, entitled "An act to adopt a multistate tax compact to facilitate and promote convenient, uniform, nonduplicative and proper determination of state and local tax liability of multistate taxpayers," by amending section 1 (MCL 205.581).

The bill was read a second time.

Rep. Gilbert moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**House Bill No. 4480, entitled**

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending section 40 (MCL 38.40), as amended by 2002 PA 99.

The bill was read a second time.

Rep. Gilbert moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**House Bill No. 4481, entitled**

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending section 46 (MCL 38.1346), as amended by 2002 PA 94.

The bill was read a second time.

Rep. Gilbert moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**House Bill No. 4482, entitled**

A bill to amend 1957 PA 261, entitled "Michigan legislative retirement system act," by amending section 57 (MCL 38.1057), as amended by 2002 PA 97.

The bill was read a second time.

Rep. Gilbert moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**House Bill No. 4483, entitled**

A bill to amend 1927 PA 339, entitled "An act to authorize the establishment of a system of retiring allowances for employes of public libraries now existing or which may hereafter be established in incorporated cities of 250,000 population or more," by amending section 5 (MCL 38.705).

The bill was read a second time.

Rep. Gilbert moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**House Bill No. 4484, entitled**

A bill to amend 1992 PA 234, entitled "The judges retirement act of 1992," by amending section 720 (MCL 38.2670), as amended by 2002 PA 95.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Tax Policy,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Gilbert moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

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Rep. Farrington moved that House Committees be given leave to meet during the balance of today's session.  
The motion prevailed.

By unanimous consent the House returned to the order of

**Announcement by the Clerk of Printing and Enrollment**

The Clerk announced that the following Senate bills had been received on Tuesday, April 26:

**Senate Bill Nos. 173 175 177 179 182 184**

The Clerk announced that the following bills had been printed and placed upon the files of the members on Wednesday, April 27:

**House Bill Nos. 4580 4581 4582 4583 4584**

**Senate Bill Nos. 335 336 337 338 339 340 341 342 343 344 345 346**

The Clerk announced that the following Senate bills had been received on Wednesday, April 27:

**Senate Bill Nos. 171 178 180 183 185 207**

**Reports of Standing Committees**

The Committee on Transportation, by Rep. Opsommer, Chair, reported

**House Bill No. 4088, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 803e (MCL 257.803e), as amended by 2003 PA 30.

With the recommendation that the substitute (H-4) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

**Favorable Roll Call**

To Report Out:

Yeas: Reps. Opsommer, Glardon, Daley, Wayne Schmidt, Huuki, Jacobsen, Muxlow, Olson, Ouimet, Somerville, Geiss, Talabi, Nathan, Byrum, Smiley and Roy Schmidt

Nays: None

The Committee on Transportation, by Rep. Opsommer, Chair, reported

**House Bill No. 4315, entitled**

A bill to amend 2001 PA 142, entitled "Michigan memorial highway act," (MCL 250.1001 to 250.2080) by adding section 72.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Opsommer, Glardon, Daley, Wayne Schmidt, Huuki, Jacobsen, Muxlow, Olson, Ouimet, Somerville, Geiss, Talabi, Nathan, Byrum, Smiley and Roy Schmidt

Nays: None

The Committee on Transportation, by Rep. Opsommer, Chair, reported

**House Bill No. 4359, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 803i (MCL 257.803i), as amended by 1998 PA 68.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Opsommer, Glardon, Daley, Wayne Schmidt, Huuki, Jacobsen, Muxlow, Olson, Ouimet, Somerville, Geiss, Talabi, Nathan, Byrum, Smiley and Roy Schmidt

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Opsommer, Chair, of the Committee on Transportation, was received and read:

Meeting held on: Wednesday, April 27, 2011

Present: Reps. Opsommer, Glardon, Daley, Wayne Schmidt, Huuki, Jacobsen, Muxlow, Olson, Ouimet, Somerville, Geiss, Talabi, Nathan, Byrum, Smiley and Roy Schmidt

Absent: Rep. Liss

Excused: Rep. Liss

The Committee on Education, by Rep. Scott, Chair, reported

**House Bill No. 4466, entitled**

A bill to amend 1947 PA 336, entitled "An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; and to prescribe means of enforcement and penalties for the violation of the provisions of this act," by amending sections 2a and 6 (MCL 423.202a and 423.206), section 2a as added and section 6 as amended by 1994 PA 112.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Scott, Hooker, Crawford, McMillin, Franz, Heise, Nesbitt, O'Brien, Price, Shaughnessy and Yonker

Nays: Reps. Brown, Darany, Howze, Hobbs, Stallworth and Geiss



## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Scott, Chair, of the Committee on Education, was received and read:

Meeting held on: Wednesday, April 27, 2011

Present: Reps. Scott, Hooker, Crawford, McMillin, Franz, Heise, Hughes, Nesbitt, O'Brien, Price, Shaughnessy, Yonker, Brown, Darany, Howze, Hobbs, Stallworth and Geiss

Absent: Rep. Rutledge

Excused: Rep. Rutledge

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Gilbert, Chair, of the Committee on Tax Policy, was received and read:

Meeting held on: Tuesday, April 26, 2011

Present: Reps. Gilbert, Walsh, Horn, Farrington, Foster, Lyons, Nesbitt, O'Brien, Olson, Ouimet, Constan, Barnett, Kandrevas, Meadows, Townsend and Cavanagh

Absent: Rep. Hobbs

Excused: Rep. Hobbs

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Scott, Chair, of the Committee on Education, was received and read:

Meeting held on: Tuesday, April 26, 2011

Present: Reps. Scott, Hooker, Crawford, McMillin, Franz, Heise, Hughes, Nesbitt, O'Brien, Price, Shaughnessy, Yonker, Brown, Darany, Howze, Hobbs, Stallworth and Geiss

Absent: Rep. Rutledge

Excused: Rep. Rutledge

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Daley, Chair, of the Committee on Agriculture, was received and read:

Meeting held on: Wednesday, April 27, 2011

Present: Reps. Daley, Denby, Kurtz, Tyler, Glardon, Johnson, LaFontaine, McBroom, Outman, Rendon, Santana, Brunner, Oakes, Talabi, Hovey-Wright and Segal

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Wayne Schmidt, Chair, of the Committee on Commerce, was received and read:

Meeting held on: Wednesday, April 27, 2011

Present: Reps. Wayne Schmidt, Tyler, Knollenberg, Denby, Lund, Shirkey, Glardon, Shaughnessy, Somerville, Zorn, Bledsoe, Haugh, Clemente, Melton and Olumba

Absent: Reps. Gilbert, Farrington, Switalski and Barnett

Excused: Reps. Gilbert, Farrington, Switalski and Barnett

## COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Crawford, Chair, of the Committee on Regulatory Reform, was received and read:

Meeting held on: Wednesday, April 27, 2011

Present: Reps. Crawford, Yonker, Opsommer, Daley, McMillin, Stamas, Shirkey, Franz, McBroom, Rendon, Melton, Haugh, Byrum, Slavens and Womack

### Messages from the Senate

#### **House Bill No. 4248, entitled**

A bill to amend 1975 PA 197, entitled "An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials," by amending section 1 (MCL 125.1651), as amended by 2008 PA 225.

The Senate has passed the bill and ordered that it be given immediate effect.

The bill was referred to the Clerk for enrollment printing and presentation to the Governor on April 26, 2011.

#### **Senate Bill No. 173, entitled**

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Appropriations.

#### **Senate Bill No. 175, entitled**

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Appropriations.

#### **Senate Bill No. 177, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal years ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Appropriations.

#### **Senate Bill No. 179, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; to provide anticipated appropriations for the fiscal year ending September 30, 2013; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Appropriations.

**Senate Bill No. 180, entitled**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Appropriations.

**Senate Bill No. 182, entitled**

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Appropriations.

**Senate Bill No. 184, entitled**

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2012; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; to provide for the powers and duties of certain committees, certain state agencies, and certain employees; and to provide for the acquisition and disposition of certain real and personal property.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Appropriations.

**Senate Bill No. 207, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 43517, 43520, 43525a, and 43531 (MCL 324.43517, 324.43520, 324.43525a, and 324.43531), sections 43517 and 43520 as amended by 2006 PA 282, section 43525a as amended by 2006 PA 280, and section 43531 as amended by 2009 PA 70.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Natural Resources, Tourism, and Outdoor Recreation.

**Messages from the Governor**

The following message from the Governor was received and read:

April 27, 2011

Gary Randall  
Clerk  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909-7509

Dear Mr. Randall:

Attached is a copy of my Special Message on Education Reform to the First Session of the 96th Michigan Legislature. This message transmitting information on the affairs of state and recommending measures I consider necessary and desirable is presented to the Michigan House of Representatives pursuant to Section 17 of Article V of the Michigan Constitution of 1963.

Sincerely,  
Rick Snyder  
Governor

April 27, 2011

To the Michigan Legislature:

One of Michigan's most pressing responsibilities is ensuring that students are prepared to enter the work force and to take advantage of new opportunities as our economy grows. Michigan's future is absolutely dependent on making our education system a success for our students, our teachers, our parents and our economy.

Our education system must position our children to compete globally in a knowledge-based economy. To prepare and train the next generation of workers, Michigan needs a capable, nimble and innovative work force that can adapt to the needs of the emerging knowledge-based economy and compete with any nation.

To accomplish that, Michigan's education system must be reshaped so that all students learn at high levels and are fully prepared to enter the work force or attend college. They must think and act innovatively, demonstrate high performance, and meet the highest expectations. In addition, our students must leave high school with the skills to make sound financial decisions and demonstrate a basic understanding of personal finance.

We have begun this ascent by implementing one of the most rigorous sets of content and assessment standards and high-school graduation requirements in the nation. We have adopted strategies to improve school nutrition and lower the dropout rate, while encouraging school districts to embrace innovative ways to educate students. I commend the State Board of Education and Michigan Department of Education (MDE) for taking these steps.

Results are promising. We have seen improved Michigan Educational Assessment Program (MEAP) test scores over the past three years, American College Testing (ACT) scores, lower dropout rates and healthier students who show their eagerness to learn.

But to compete on a world-wide scale, our education system must evolve from one that served us well in the past to one that embraces the challenges and opportunities of the new century. A grammar school education once suited the agrarian age, and a high-school education suited the assembly line age. A high-quality post-secondary education is needed for the technology age.

Michigan's education system is not giving our taxpayers, our teachers, or our students the return on investment we deserve. In spite of the fact that we rank 21st in the country in total current expenditures per pupil according to the most recent data of the National Center for Education Statistics (NCES), consider the following:

- Less than 50% of our students are proficient in writing across grades based on fall 2010 MEAP data in grades 4 and 7, and spring 2010 Michigan Merit Examination (MME) data for grade 11
- In National Assessment of Educational Progress (NAEP) testing for grade 4 math we rank 39th; for grade 4 reading we rank 34th; for grade 8 math we rank 37th; and, for grade 8 reading we rank 33rd (NCES)
- Only 16% of all students statewide are college-ready based on the ACT taken in spring 2010 as a part of the MME
- 238 Michigan high schools have zero college-ready students in all subjects based on the spring 2010 ACT test

We can – indeed we must – do better.

Change does not have to create adversaries; it can create partners committed to a better future.

The vast majority of Michigan educators and teachers are hard-working and committed to a prosperous future for their students. And, Michigan has a long history of effective collaboration between labor and management.

The proposals in this message can all be achieved in our present system of collective bargaining for teachers and other school employees. When it comes to educating our young people for the 21st century, all of us in Michigan—parents, educators, school boards, the business community, public servants and citizens—share an enormous responsibility to help Michigan's next generation succeed. We must all step up to that responsibility.

In this special message I will outline a plan for Michigan's future that rewards outcomes and performance. We can no longer tolerate a system where either schools or students are rewarded for just showing up.

Garnering input from a wide variety of education stakeholders – educators, education associations, business leaders, private foundations and agencies, and the State Board of Education – these policy proposals will drive high expectations for an emerging system of schools and educators. They will provide transparency, detailed information and genuine choice for families. They will jettison the status quo that has too often accepted mediocrity and, at times, resulted in failure for our children and state.

### **Early Childhood Development**

Preparing children for optimal learning and quality achievement in school actually begins at conception. Brain development begins early in a pregnancy. Threats, such as alcohol or malnutrition, can have a negative or even irreversible effect on the developing brain. Premature birth and low birth weight also can have lasting effects on a child. Early childhood is a time of remarkable brain growth that affects a child's development and readiness for school.

According to Michigan kindergarten teachers, on average, only 65% of children entered kindergarten classrooms this year ready to learn the curriculum. This "readiness gap" often begins at birth and continues until school entry. It can lead to an achievement gap that persists through each year of school.

Seventy percent of Michigan fourth graders scored below the proficient reading level on the NAEP in 2009 (the most recent available data), placing Michigan 34th of the 50 states. Until the end of third grade, children are learning to read. Fourth grade students need to be able to read to learn. Children who cannot meet NAEP proficiency levels, especially

low income children, are likely to end up not completing high school, becoming adults who struggle to qualify for even the lowest skill, lowest paying jobs. The result for Michigan: a lack of competitiveness in the global marketplace and a significant portion of the population without hope for a prosperous future.

Our goal must be to create a coherent system of health and early learning that aligns, integrates and coordinates Michigan's investments from prenatal to third grade. This will help assure Michigan has a vibrant economy, a ready work force, a pool of people who demonstrate consistently high educational attainment, and a reputation as one of the best states in the country to raise a child.

Today, Michigan's approach to investing in school readiness and early elementary success is not values-based or founded on sound scientific or economic evidence. Research confirms that the developmental needs of children are interrelated, yet we invest in a variety of fragmented, segmented and highly specialized programs. Michigan programs that serve children and families in the prenatal to third grade period are spread across multiple state departments and each department delivers programs based on its own culture, outcomes and goals. Currently, there are 84 separate funding streams scattered across state government that deal with early childhood. Programs operate with varying levels and types of accountability, inconsistently assess quality and lack capacity to measure or report results.

To remedy this, I am proposing the consolidation of early childhood programs and resources into a single office of early childhood focused on maximizing child outcomes, reducing duplication and administrative overhead and reinvesting resources from efficiencies into quality improvement and service delivery.

Our cohesive strategy starts with an Executive Order that combines the Office of Child Development and Care currently at the Department of Human Services with the Office of Early Childhood Education and Family Services at the Michigan Department of Education.

The new *Michigan Office of Great Start – Early Childhood* will be located at the Department of Education and will coordinate all 84 separate early childhood funding streams currently managed throughout various state government agencies. Programs that will become a part of the Office of Great Start in the initial phase will include: Great Start School Readiness, Great Parents/Great Start, Preschool Special Education, Child Care Licensing, Head Start State Collaboration, Child Care and Development Program, and Early On.

This new office will refocus the state's early childhood investment, policy and administrative structures by adopting a single set of early childhood outcomes. All public investments will be assessed against a single set of early childhood outcomes as follows:

- Children born healthy
- Children healthy, thriving, and developmentally on track from birth to third grade
- Children developmentally ready to succeed in school at the time of school entry
- Children prepared to succeed in fourth grade and beyond by reading proficiently by the end of third grade

Michigan government, business and foundation leaders agreed several years ago on the need for early childhood investment and the necessity of a new approach in order to close the readiness gap. They asserted that neither government alone, nor the private sector acting unilaterally, is able to change the trajectory of school readiness. A bridge is needed to connect the sectors. To that end, the Early Childhood Investment Corporation (ECIC) was created to be more flexible and nimble than government, and be more aligned with state and federal opportunities than the private and nonprofit sectors.

The *Michigan Office of Great Start – Early Childhood* working hand-in-hand with the private sector, through ECIC, will create a dynamic partnership aimed at maximizing public and private investment in the service of Michigan's children.

All human behaviors, from work force abilities to social skills build on capacities developed during childhood, beginning at birth. The early development of cognitive skills, emotional well-being, social competence, and robust physical and mental health is the foundation for school success. These abilities are the critical prerequisites for economic productivity and responsible citizenship throughout life.

Michigan must change to support these realities. We know too much about the first five years of life to continue to invest as though learning begins at the kindergarten door rather than at birth. Government, the private and nonprofit sectors, and ECIC all have critical roles to play.

#### **Performance-Based System of Schools**

Michigan needs to drive toward a system of higher expectations for its system of schools and educators. We need a performance-based education system that will meet the 21st century education needs of all students. Innovation and educational entrepreneurship must be cultivated through improved models of instruction across the state. There must be greater choice for students and parents and greater responsibility and accountability at the individual school level for student growth.

#### *Funding*

The core of a performance-based education system must be a statewide school funding model based upon student proficiency and academic growth. Our school system should be dedicated to student outcomes. Reshaping education in Michigan and developing a performance-based system of schools demands that we rethink the way we fund education. Today, the state sends a full foundation allowance to school districts based entirely on attendance figures taken twice a



year. These “count days” have become synonymous with pizza parties and prize offers as schools are compelled to get high attendance counts to maximize their funding. Accurate head counts are very important, but should not be the only factor in determining school funding levels. Instead, our statewide school funding should also be based upon academic growth, and not just whether a student enrolls and sits at a desk.

I propose that a portion of state school aid be tied to the academic achievement of a school district for 2013 and beyond. This funding model will increase academic growth and the college and career readiness of our students by allocating scarce resources to districts that make the biggest gains.

In my 2013 budget message, I will be proposing that school districts receive a bonus beyond the per pupil state foundation allowance for demonstrating student growth in reading, math and other MDE selected subjects. This funding should be allocated to districts for students who show an average of at least one year of growth per year of instruction. By rewarding growth, and not only proficiency, students who have fallen behind their grade level are not forgotten. Instead, they are viewed as having the most to gain.

In my executive budget recommendation in February, I also proposed that in fiscal year 2013 a portion of the state foundation allowance be allocated to school districts that pay no more than 80% of employee health care premiums or control costs in other ways. Local school dashboards and school district accountability and transparency metrics also will be part of the funding discussion.

The State Superintendent is implementing new data collection systems to better document yearly student growth and proficiency. This type of student testing and data collection serves more than one purpose. In addition to helping educate our kids, this new testing will make Michigan more competitive for federal funding from Washington.

#### *Public Charter Schools*

Public charter schools in Michigan were first established in 1994. At the time they were an innovative concept, but because they were new, restrictions were placed on their establishment. Today, many of those restrictions do not make sense. In order to create dynamic, performance-based school districts in Michigan we need to challenge the status quo. Charter schools play an important role by offering an alternative education option to parents and students, particularly in our struggling districts. We need to increase the number of charter schools in Michigan to help attract the top charter operators from across the nation and encourage more choice at the local level.

Therefore, I am proposing that any caps limiting the number of charter schools in districts with at least one academically failing school be removed. This will allow for more charters in areas where additional education options are needed the most.

Another issue hampering the recruitment of nationally prominent charter school operators is that a charter board can oversee only one building under current law. It is difficult to rationalize this restriction when we allow a local board of education oversight of an entire school district. The legislature should allow top performing charter school boards to oversee more than one school.

A strong system of schools that is funded for outcomes will generate performance-based schools. I expect charter schools in Michigan to be held to the same rigorous standard as any other public school.

#### *Accountability and Empowerment*

In my State of the State address, I presented a dashboard for the state of Michigan. It includes a variety of metrics that illustrate how our state is performing in areas such as public safety, economic strength, and quality of life. Today, I am unveiling the “State of Education in Michigan” dashboard that will serve as our statewide report card on education. The dashboard includes metrics from public K-12 education, community colleges and universities to provide a snapshot of education in Michigan. As an example, many parents may be surprised to learn that 61% of community college students require developmental coursework in order to be successful at the college level. That is unacceptable. Many of the public education metrics are derived from data contained in the Center for Educational Performance Information database. This system of reporting will allow local districts and eventually school-level dashboards to be created with these and other data points.

Accountability and transparency should apply to every part of our education system, not just local school districts. Over \$2 billion flows through intermediate school districts (ISDs) in Michigan. In 2010, they employed over 15,000 people. In many cases, there has been a difference of opinion between what services should be provided by local school districts and what should be provided by the ISD.

I am convinced that significant savings can be achieved if business and administrative functions are consolidated. I propose that by the 2012 school year, an ISD should be able to bid on any service a local district provides outside the classroom. Alternatively, a local district should be able to bid on any service an ISD provides for the entire intermediate school district if it can provide the same quality of service for everyone at a better cost. An open bidding process that is public and transparent will ensure value for the taxpayer and that Michigan is spending as much money as possible inside the classroom.

At every level we need to place the bright light of public scrutiny on the measures of success or failure that will drive a better future for Michigan.

But just measuring and reassigning responsibility is not enough. Districts and schools must be held accountable for student outcomes. In Michigan, 238 high schools did not produce a single student proficient in math or reading last year,

yet every one of those schools is accredited. Michigan needs a school accreditation system that finally brings light to this issue in a responsible way. I urge the legislature to adopt new standards so we can have an honest assessment of where our schools stand.

In every school district, transparency, accountability and empowerment in the classroom are critical.

However, in a number of districts, additional attention is required. We have 23 school districts that are over \$1 million in deficit. Combined, these financially distressed districts have an operating deficit of about \$440 million. Students and families in these districts cannot wait for a long-term, viable education system.

Young people in these struggling districts need a financially sustainable education system under which it is possible for both students and teachers to succeed. They need a system that efficiently directs limited taxpayer dollars toward smart, research-based efforts proven to help all students perform at dramatically higher academic levels. And, they need a system that holds every teacher and school administrator at the state, intermediate and local level accountable for student gains in the classroom, while also empowering them to get there with the autonomy, student data, instructional tools and meaningful support they require.

We must tap every available resource, continually assess the best of what is happening in the education field and swiftly find permanent solutions to the crises in these districts.

The time has come to stop the benign acceptance of non-performance in these districts. Soon, I will be applying the new Emergency Manager legislation for those districts that continue to fail financially and academically and take no steps to eliminate the drain on community financial resources and student academic achievement. This will include the announcement of a new Emergency Manager for Detroit Public Schools shortly.

#### *School Safety*

We must ensure that Michigan students' opportunities are not diminished because we fail to provide them with a safe and secure learning environment. Forty-five states already have passed laws to address the problem of bullying in schools. It is time for Michigan to join them.

The harm caused by bullying is not under debate. Studies have long shown that it leads to low self-esteem, depression, poor academic achievement, truancy, and even suicide. School is not a house of learning for a bullying victim; it is a house of pain. A bullied student is not only being tormented; he or she is being denied an equal opportunity to a quality education.

Even the home is no longer a refuge for the bullying victim. Much of bullying today takes place on the internet, cell phone text services and by other electronic means. Such "cyber bullying" may not always take place on school property or during school hours, but when it is between students it must be recognized as a school issue. And because bullying is a school issue, it must be dealt with in school – before it becomes a law enforcement issue.

Many Michigan schools already have good anti-bullying policies in place and we need to ensure that every school has one. School policies cannot be designed to only cover some students – every school must protect every student. And, as adults, we need to be clear in both word and deed – bullying is always wrong.

I am asking the legislature to pass a comprehensive anti-bullying bill that will be in place for the next school year. The bill need not tell each school how to deal with bullying, but it must require that they have clear policies do so. The State Board of Education already has developed a model policy that every district can look to as they develop their own.

Michigan students should not suffer because we fail to act.

#### **Any Time, Any Place, Any Way, Any Pace Program**

#### *Choice*

Today, I am proposing a new "Any Time, Any Place, Any Way, Any Pace" public school learning model. Michigan's state foundation allowance should not be exclusively tied to the school district a child attends. Instead, funding needs to follow the student. This will help facilitate dual enrollment, blended learning, on-line education and early college attendance. Education opportunities should be available 24 hours a day, 365 days a year.

A model of proficiency-based funding rather than "seat time" requirements will foster more free market ideas for public schools in Michigan. This includes mandatory "schools of choice" for every public school district. Providing open access to a quality education without boundaries is essential. Resident students in every district should have first choice to enroll, but no longer should school districts be allowed to opt out from accepting out-of-district students. In the event more out-of-district students wish to enroll than space allows, the school should conduct a random lottery to determine acceptance. I will propose legislation to accomplish this change.

By introducing an education system that offers unfettered flexibility and adaptability for student learning models and styles, we will break down the status quo on how, when, and where students learn.

We must minimize all state and local barriers that hinder innovation at the local level, including seat time regulations, length of school year, length of school day and week, and the traditional configurations of classrooms and instruction. Blended learning models, where students receive instruction from high quality online educators, along with face-to-face instruction from high quality classroom teachers should be encouraged. School districts that embed technology into blended classroom instruction or embrace total online learning, project-based learning, and experiential learning models will make the system more cost-efficient, competitive, innovative, and effective in motivating student achievement.

### *21st Century Education*

Access to quality education is no longer solely dependent on local classrooms and textbooks. A new global market has emerged as parents, schools and students are realizing the power and effectiveness of online learning. The time has come to embrace innovative learning tools for all Michigan students.

Michigan's education system has revolved around a static approach to education delivery that can be at odds with individual learning styles. By creating a robust virtual learning environment, Michigan will provide students more education options that best meet their needs. Whether it is a gifted student requiring an accelerated program, or a child struggling with a traditional classroom setting, virtual learning can provide a vital lifeline to ensure success.

Leveraging technology, I propose that every child in Michigan who needs or wants up to two hours of daily online education must receive it. To help enable this policy, any enrollment caps or seat time requirements on virtual schools should be removed. This plan eliminates barriers to true choice in education and gives parents and students the flexibility to employ education programming that ensures their future success.

These reforms are designed to move us from school systems to a system of schools. Parents deserve more data and information on every school, with genuine data and benchmarks to identify schools with effective instruction and sustained student achievement growth.

### *Degrees Matter*

The proposed inclusion of post-secondary education into the state school aid fund clearly signifies the need for a P-20 state education system that integrates all levels of learning.

I am asking for the legislature to approve a seamless "Degrees Matter" system that values and demands a post-secondary degree or skilled trades credential for all Michigan residents. Currently, many of our skilled trades provide credentials through highly concentrated and typically oversubscribed apprenticeship programs. Those who choose to work with their hands and minds, whether building our infrastructure or growing our food, need extensive skill focus and training to move forward after secondary school. We need to enable and encourage their proficiency and dedication. All Michigan students should be able to receive a community college degree or credential no later than their 13th year of school. My plan calls for every public school district to offer college credit opportunities by using early college, dual enrollment, online college credit courses, direct credit, and other valid and rigorous course options.

Career and college readiness for all students, coupled with the opportunity to receive college credit before graduation, provides both an incentive for students and an affordable post-secondary pathway for all families. Students should be able to earn college credit as early as their ninth year, and those students who choose to, should be able to earn college credits that will be accepted by Michigan community colleges and four-year baccalaureate institutions.

With performance-based funding, local school districts that seize these innovative strategies will thrive. We can improve schools' ability to monitor student academic progress and growth through high school with college readiness assessments in a student's ninth and 10th years. Shortly, the Department of Education will be laying out its plans for these assessments.

Similarly, to allow students to move through their education at their own pace, I call for "testing out" assessment opportunities for all students, at all levels of education.

The goal of the Degrees Matter approach to education will result in a post-secondary degree or credential and not just an accumulation of college credits. It will require three way multi-directional college credits, where universities will accept blocks of credits from community colleges and quality high school courses; community colleges will be allowed to accept university credits toward the attainment of a student's community college degree or credential; and universities will accept blocks of credits from community colleges.

This Degrees Matter system of reverse transfer credits will increase the number of students who are awarded associate degrees or credentials upon completion of the necessary credits. Students who have earned credits at a community college and transfer to a baccalaureate-granting institution would be able to reverse transfer the credits earned at the baccalaureate institution to complete their community college degree or credential.

### **Performance-Based Teaching**

We are expecting a lot of our students and our schools as well as those who teach in them and those that run them. This is as it should be. To reinvent Michigan and realize our potential, we must expect the best. We have to provide the tools, the support, and the environment for students to reach the high expectations we have set, as parents and as state decision-makers.

To get the student learning we expect nothing matters more than great teachers and great teaching. Every body of research confirms that the biggest contributor to learning gains and good school and life outcomes is the great teacher who inspires student learning. The impact of great teaching is most dramatic among those with the furthest to travel in their education.

Bill Gates, whose foundation is dedicated to improving education worldwide, spoke to the nation's governors recently. He said: "We know more (today) about what works. Of all the variables under a school's control, the single most decisive factor in student achievement is excellent teaching. It's astonishing what great teachers can do for their students. But compared to countries that outperform us in education, we do very little to measure, develop and reward excellent teaching."

All of us know in our hearts the genuine importance of teachers. We remember the handful of teachers who shaped our lives and careers. We fight to get our kids in the best teacher's classes. It's time we said clearly: every teacher in every Michigan classroom is going to have the tools, training, feedback and support to be a star teacher.

Teachers themselves are asking for help. Earlier this month, the American Federation of Teachers issued a report outlining what new, young teachers expected in order to keep them in the profession and thrive in the classroom. They asked for:

- Regular feedback on their effectiveness
- Fair, rigorous and meaningful evaluation systems
- Peer learning and shared practice
- Recognition of and reward for high performance
- Intelligent use of technology to enhance performance

To deliver on Michigan's constitutional promise to our children and our state, we have to change the ways we prepare, support, evaluate, and reward teachers. We also have to send a clear message in every school and community that we honor teachers and value great teaching.

We need our best and brightest, in teaching, in Michigan. We should provide the highest-quality training that can ensure that every child is taught by a skilled professional who can help that child succeed.

That is why I am calling for a series of steps to enable great teaching and great teachers.

We must reform how we recruit and prepare our teachers. Great teaching starts with getting the best and brightest into teaching, and making sure their education equips them to succeed at inspiring students in the classroom.

The first step in this process is ensuring that all universities that educate teachers passionately pursue this mission. I challenge these institutions to transform their teacher education programs to deliver the skills teachers need to succeed in the classroom, including ensuring teachers can teach the national Common Core College and Career-Readiness Standards, now embraced by Michigan and almost all states. In addition, they should be requiring more in-classroom clinical experience for all teacher-candidates. To move Michigan in this direction, I am asking the State Board of Education and Department of Education to take the responsibility to re-fashion the certification and approval of teacher education institutions to reflect the same expectations.

I ask the Board and Department to raise the bar for certification tests. All students who are accepted into teacher preparation programs should be required to pass the basic skills test and all teacher candidates should be required to pass their subject matter tests before student teaching. For those students who struggle to meet this new standard, their university and teacher preparation program should take responsibility to ensure that they can meet this minimum bar. The Standing Technical Advisory Committee in the Department of Education should be convened immediately to review cut scores for competency for Michigan's tests for teacher certification. Neighboring states (IL and IN) have increased the cut scores for their teacher certification tests.

I am also asking the State Board of Education and Department of Education to help us assure that every district utilizes assessments of teaching performance that focus on teachers' actual skills in teaching academic content. Other professions, and most of the skilled trades, assess practitioners' skills at the actual work — whether the work is surgery, flying planes, or wiring a house. We need a rigorous performance-centered assessment of teaching for two reasons: (1) in order to ensure that training focuses on the core professional skills and knowledge and (2) so that no one is allowed to "practice" on our young people without demonstrating sufficient proficiency with the highly skilled work needed for teaching.

We need to enable the development of methods and programs for preparing teachers with the skills they need to help all children succeed academically. With firm entrance requirements and continuing performance standards, we can encourage excellent ideas about teacher training that prepares them to perform skillfully in the classroom. The bottom line must be the encouragement of optimal skill in teaching children, and helping our children learn to the highest academic levels.

We also must support and build the skills of new teachers and connect ongoing teacher training and tenure to great teaching.

Nearly half of all new teachers quit during their first few years. Some are those who chose teaching as a "safe" career, only to find it is much more demanding than they thought. Our children benefit when these folks move on. Many, however, fall out because they don't get the clear and consistent coaching, mentoring and feedback they need to become great teachers.

Great teaching requires specialized knowledge and skill, including how to connect with students. These skills can be taught. Great teaching needs to be supported by lifelong learning and ongoing, regular evaluation. Further, the opportunity to teach our children, particularly in a position with the security of tenure, is a privilege that must be earned and maintained. Finally, great teachers must be adequately rewarded and able to find satisfying careers in teaching and not be required to move into school administration to advance their careers.

To accomplish these goals, Michigan must take a number of important steps. Today, I am calling on the State Board of Education and Michigan Department of Education to replace Michigan's continuing education requirements with new requirements that are clearly linked to teacher skill-building.

The mere receipt of a master's degree should not mean automatic increases in pay. Nor should it be a hindrance to a highly educated person desiring to enter the field of teaching in Michigan. Performance in the classroom should supersede pure longevity.



Michigan law should be changed to recognize performance and future potential in the hiring and pay process, not just the receipt of degrees. If a professional chemist wants to teach chemistry the state has allowed for an alternative certification system to quickly get the teacher in the classroom. Likewise, the state should be encouraged when a successful and qualified businessperson wants to teach a high school class. I urge the State Superintendent and Department of Education to quickly allow teachers to enter the profession through alternative certification. They then would be held to the same rigorous performance standards and student proficiency requirements as any other teacher.

I am also requesting that the State Board and Department of Education ensure that all school districts in Michigan fully implement administrator certification and training. This guarantees that our school administrators are well prepared, routinely assessed, continually trained and demonstrate ongoing proficiency, including the importance of both the timeliness and rigor of their responsibilities to evaluate teachers.

Additionally, I am requesting that the legislature reform Michigan's antiquated tenure law to assure that our children are being taught by the best, the brightest, and those with a clear results-oriented mission. I will support tenure reform legislation in Michigan that:

- 1.) Awards tenure based on demonstrated, multiple years of effective teaching ability, instead of the current system that relies only on the number of years teaching. I propose that new teachers be given five years of probationary status, and teachers must demonstrate three consecutive years of effectiveness in order to be eligible for tenure.
- 2.) Requires that the annual evaluations of teachers be based on multiple measures, but must include in its determination of effectiveness at least 40% based on student achievement growth.
- 3.) Requires that ineffective teachers, as determined by annual evaluation, enter a probationary status. If such teachers receive a second consecutive ineffective rating, they should forfeit the rights and privileges secured by tenure. Ineffective teachers should then be dismissed or given a third year at the option of the local district.
- 4.) The tenure appeal process needs to be reformed so that ineffective teachers who have been unable to improve their performance can be dismissed in a more timely and cost-effective way.

I am convinced that effectiveness in teaching should trump seniority in layoff and placement. I will support legislation that ensures consideration of teacher effectiveness in "bumping" situations to end the practice of "last in/first out" in our schools. I also will support legislation that requires the consent of the school principal before bumping into a new school. These two steps will empower schools over districts and ensure that the best teachers, regardless of years of service, are teaching our young people.

Michigan also must create career paths that reward great teaching. Michigan has to nurture great teachers, make sure they find satisfying career paths that reward them for teaching excellence, and keep them in the classroom changing student lives. That is why we must add a master teacher category to our Michigan teacher certification system. I encourage the State Board of Education and the Department of Education to create a performance-based credential for excellent teachers that helps them play enhanced roles as new teacher mentors and school instructional leaders. Such teachers should also be eligible for higher pay and recognition for great teaching. The new program should be based on demonstration of proficiency, and/or earning of master teacher credentials (such as National Board Certification).

I ask the State Board of Education and Department of Education to address these issues by the beginning of the next school year.

### **Conclusion**

We cannot expect reform if we ignore the most important part of education – our kids. A better future for Michigan youth begins with a shared understanding of what is right with our students, rather than what is wrong.

A 2010 Gallup poll of American 5th – 12th graders revealed that kids cite three things they need to succeed in education and in life. They tell us: "I need to be known. I want to be excited about the future. And, I could use your help."

Our schools and communities need to show kids that they matter, that we see them as individual human beings, and that we commit ourselves to knowing and developing what is right about each and every student. Parents, educators, and community leaders need to help students become excited about their future and about the vitality of their cities and towns.

Kids need to hear that their parents and communities will actively help them learn, grow, and move toward an independent and successful future.

This is the invisible issue in American education: we have local control of schools, but we don't feel local ownership of what happens in them. In 2009, 2,835 parents of school-aged children were asked: "What is the one thing you could do to raise the graduation rate at your local high school?" These parents have a daily, personal stake in education. Yet their responses reveal uncertainty and ambivalence about their role in it. The most common answer: "I don't know. Nothing."

I'm asking all of Michigan to make our youth a priority. Listen to what students say they need from their schools and communities. Track their hope, engagements, and well-being. And, take action to improve those areas.



How do we do this? I am encouraging all of our public schools to participate in the Gallup Student Poll to give our youth a voice in our local, state, and national discussions about education and their futures. We can measure the hope, engagement, and well-being of our young people in less than 10 minutes and at no cost. Schools will receive their results within weeks allowing each community to act on current, relevant data that drives student achievement and overall success. I have asked the Michigan Department of Education to take a leadership role with the Gallup organization to encourage all our school districts to participate in this important survey of young people.

H.G. Wells once said that “civilization is a race between education and catastrophe.” In Michigan, we have the obligation to determine the winner.

After more than a century, the traditional methods, mindsets and goals of Michigan’s education system can take us no farther. Like the Model T car or the one-room schoolhouse, our education system did what we asked of it at the time – but that time has passed. The dramatic influences of globalization and technology on today’s society demand a more prepared, skilled and sophisticated work force. Equipping tomorrow’s workers with the tools to master these critical skills is our obligation today.

As we stand at the threshold of the New Michigan, we must embrace profoundly different expectations of our schools, teachers and students. In turn, we must encourage them to thrive by providing a structure that shuns complacency and mediocrity. The reforms being proposed today realign our educational values. They will reward performance rather than attendance, and outcomes rather than process. By taking hold of exciting options ranging from partnerships to innovative technology, education across Michigan will be infused with the unfettered ability and enthusiasm to teach and learn.

The message was referred to the Clerk.

### Introduction of Bills

Reps. Wayne Schmidt, Goike, Bumstead, Gilbert, Hughes, Jenkins and MacGregor introduced

**House Bill No. 4585, entitled**

A bill to amend 1972 PA 239, entitled “McCauley-Traxler-Law-Bowman-McNeely lottery act,” by amending section 25 (MCL 432.25), as amended by 1998 PA 465.

The bill was read a first time by its title and referred to the Committee on Regulatory Reform.

Reps. Hooker, Yonker, Bumstead and Rendon introduced

**House Bill No. 4586, entitled**

A bill to amend 1937 (Ex Sess) PA 4, entitled “An act relative to continuing tenure of office of certificated teachers in public educational institutions; to provide for probationary periods; to regulate discharges or demotions; to provide for resignations and leaves of absence; to create a state tenure commission and to prescribe the powers and duties thereof; and to prescribe penalties for violation of the provisions of this act,” by amending section 2 of article IV (MCL 38.102), as amended by 1993 PA 60.

The bill was read a first time by its title and referred to the Committee on Education.

Reps. Geiss, Santana, Womack, Stanley, Smiley, Melton, Ananich, Brunner, Haugh, Bledsoe and Liss introduced

**House Bill No. 4587, entitled**

A bill to amend 1994 PA 295, entitled “Sex offenders registration act,” by amending section 35 (MCL 28.735), as amended by 2005 PA 322.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Shirkey, Agema, Franz, Olson, Rogers, Bumstead, Foster, Damrow, Haveman, Wayne Schmidt, Kurtz, Opsommer, Farrington, Lyons, Huuki, McMillin and Knollenberg introduced

**House Bill No. 4588, entitled**

A bill to amend 1947 PA 336, entitled “An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; and to prescribe means of enforcement and penalties for the violation of the provisions of this act,” by amending section 10 (MCL 423.210).

The bill was read a first time by its title and referred to the Committee on Oversight, Reform, and Ethics.

Reps. Somerville, Opsommer, Walsh, Shirkey and Muxlow introduced

**House Bill No. 4589, entitled**

A bill to amend 1964 PA 170, entitled "An act to make uniform the liability of municipal corporations, political subdivisions, and the state, its agencies and departments, officers, employees, and volunteers thereof, and members of certain boards, councils, and task forces when engaged in the exercise or discharge of a governmental function, for injuries to property and persons; to define and limit this liability; to define and limit the liability of the state when engaged in a proprietary function; to authorize the purchase of liability insurance to protect against loss arising out of this liability; to provide for defending certain claims made against public officers, employees, and volunteers and for paying damages sought or awarded against them; to provide for the legal defense of public officers, employees, and volunteers; to provide for reimbursement of public officers and employees for certain legal expenses; and to repeal acts and parts of acts," by amending sections 1, 2, and 2a (MCL 691.1401, 691.1402, and 691.1402a), section 1 as amended by 2001 PA 131 and section 2 as amended and section 2a as added by 1999 PA 205.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Rep. Foster introduced

**House Bill No. 4590, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 8401 (MCL 600.8401), as amended by 1999 PA 27.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Rep. Foster introduced

**House Bill No. 4591, entitled**

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending sections 5k and 5o (MCL 28.425k and 28.425o), section 5k as added by 2000 PA 381 and section 5o as amended by 2008 PA 407.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Brown, Hammel, Segal, Lipton, Slavens, Hovey-Wright, Bauer, Liss, Darany, Howze, Geiss, Santana, Womack, Barnett, Lindberg, Olumba, Stanley, Oakes, Talabi, Stapleton, Lane, Smiley, Irwin, Cavanagh, Melton, Ananich, Haugh, Townsend, Dillon, Bledsoe, Switalski, Byrum and Nathan introduced

**House Joint Resolution U, entitled**

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 11 of article IX, to revise the permissible uses of the state school aid fund.

The joint resolution was read a first time by its title and referred to the Committee on Government Operations.

**Announcements by the Clerk**

April 25, 2011

Received from the Auditor General a copy of the following audit report and/or report summary:  
Management letter related to our audit of the State of Michigan Comprehensive Annual Financial Report, State Budget Office, Department of Technology, Management & Budget, Fiscal Year 2009-10.

April 26, 2011

Received from the Auditor General a copy of the following audit report and/or report summary:  
Performance audit of Macomb Community College, April 2011.

Gary L. Randall  
Clerk of the House

Rep. Olson moved that the House adjourn.  
The motion prevailed, the time being 5:15 p.m.

The Speaker Pro Tempore declared the House adjourned until Thursday, April 28, at 12:00 Noon.

GARY L. RANDALL  
Clerk of the House of Representatives

