

# HOUSE BILL No. 4202

February 8, 2011, Introduced by Reps. Townsend, Melton, Lane, Darany, Slavens, Haugh, Kandrevas, Smiley, Ananich, Dillon, McCann, Liss, Rutledge, Constan, Barnett, Bauer, Segal, Stapleton, Hovey-Wright, Hobbs, Irwin, Bledsoe, Geiss, Switalski, Cavanagh, Stallworth, Byrum, Lipton, Durhal, Lindberg, Howze, Santana, Talabi, Brunner, Oakes, Brown and Womack and referred to the Committee on Commerce.

A bill to amend 1996 PA 376, entitled  
"Michigan renaissance zone act,"  
by amending sections 15 and 16 (MCL 125.2695 and 125.2696) and by  
adding sections 8i and 8j.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 8I. BEGINNING JULY 1, 2011, WHEN DESIGNATING A  
2        RENAISSANCE ZONE UNDER SECTION 8A(2), 8C, 8D, 8E, OR 8F, IF ALL  
3        OTHER CONSIDERATIONS ARE EQUAL, THE BOARD OR THE MICHIGAN STRATEGIC  
4        FUND, AS APPLICABLE, SHALL GIVE PREFERENCE TO AN APPLICANT FOR  
5        RENAISSANCE ZONE STATUS IF THE APPLICANT AGREES, IN WRITING, TO DO  
6        ALL OF THE FOLLOWING:

7        (A) HIRE ONLY RESIDENTS OF THIS STATE TO OPERATE A FACILITY IN  
8        THE RENAISSANCE ZONE, UNLESS THE BOARD OR THE MICHIGAN STRATEGIC  
9        FUND, AS APPLICABLE, DETERMINES THAT THE FACILITY CANNOT BE  
10       OPERATED BY USING ONLY RESIDENTS OF THIS STATE FOR 1 OR MORE OF THE

1 FOLLOWING:

2 (i) TO THE EXTENT NECESSARY TO COMPLY WITH FEDERAL LAW OR  
3 REGULATION CONCERNING THE USE OF FEDERAL FUNDS.

4 (ii) TO THE EXTENT THAT KEY MANAGEMENT PERSONNEL OR INDIVIDUALS  
5 WITH SPECIAL SKILLS, WHO ARE NOT RESIDENTS OF THIS STATE, ARE  
6 NEEDED.

7 (B) CONTRACT WITH BUSINESSES THAT AGREE TO HIRE ONLY RESIDENTS  
8 OF THIS STATE TO CONSTRUCT A FACILITY IN THE RENAISSANCE ZONE,  
9 UNLESS THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS APPLICABLE,  
10 DETERMINES THAT THE FACILITY CANNOT BE CONSTRUCTED BY USING ONLY  
11 RESIDENTS OF THIS STATE FOR 1 OR MORE OF THE FOLLOWING:

12 (i) TO THE EXTENT NECESSARY TO COMPLY WITH FEDERAL LAW OR  
13 REGULATION CONCERNING THE USE OF FEDERAL FUNDS.

14 (ii) TO THE EXTENT THAT KEY MANAGEMENT PERSONNEL OR INDIVIDUALS  
15 WITH SPECIAL SKILLS, WHO ARE NOT RESIDENTS OF THIS STATE, ARE  
16 NEEDED.

17 SEC. 8J. (1) BEGINNING JULY 1, 2011, IF THE BOARD OR THE  
18 MICHIGAN STRATEGIC FUND, AS APPLICABLE, DESIGNATES A RENAISSANCE  
19 ZONE UNDER SECTION 8A(2), 8C, 8D, 8E, OR 8F, A TAXPAYER THAT IS A  
20 BUSINESS IS NOT ABLE TO CLAIM THE EXEMPTION, DEDUCTION, OR CREDIT  
21 UNDER THIS ACT UNLESS THAT TAXPAYER ENTERS INTO A CONTRACT WITH THE  
22 BOARD OR THE MICHIGAN STRATEGIC FUND, AS APPLICABLE, THAT PROVIDES  
23 THAT, FOR ANY WORK IN THE RENAISSANCE ZONE, THE TAXPAYER WILL NOT  
24 KNOWINGLY HIRE OR CONTRACT WITH ANY BUSINESS ENTITY THAT KNOWINGLY  
25 HIRES AN INDIVIDUAL WHO IS NOT AUTHORIZED UNDER FEDERAL LAW TO WORK  
26 IN THE UNITED STATES.

27 (2) THE CONTRACT WITH THE TAXPAYER DESCRIBED IN THIS SECTION

1 AND SECTION 8I SHALL ALSO CONTAIN A REMEDY PROVISION THAT PROVIDES  
2 FOR ALL OF, BUT NOT LIMITED TO, THE FOLLOWING:

3 (A) A REQUIREMENT THAT THE TAXPAYER IS NOT ELIGIBLE TO CLAIM  
4 ANY FUTURE EXEMPTIONS, DEDUCTIONS, OR CREDITS UNDER THIS ACT IF THE  
5 TAXPAYER IS DETERMINED TO BE IN VIOLATION OF THE PROVISIONS OF THIS  
6 SECTION OR SECTION 8I, IF APPLICABLE, AS DETERMINED BY THE BOARD OR  
7 THE MICHIGAN STRATEGIC FUND, AS APPLICABLE.

8 (B) A REQUIREMENT THAT THE TAXPAYER MAY BE REQUIRED TO REPAY  
9 SOME OR ALL OF THE EXEMPTIONS, DEDUCTIONS, OR CREDITS RECEIVED  
10 UNDER THIS ACT IF THE TAXPAYER IS DETERMINED TO BE IN VIOLATION OF  
11 THE PROVISIONS OF THIS SECTION OR SECTION 8I, IF APPLICABLE, AS  
12 DETERMINED BY THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS  
13 APPLICABLE.

14 Sec. 15. The department of ~~Michigan jobs commission~~ **ENERGY,**  
15 **LABOR, AND ECONOMIC GROWTH** shall annually report to the **BOARD OF**  
16 **THE MICHIGAN STRATEGIC FUND AND TO THE** legislature on the economic  
17 effects of this act in each renaissance zone. The report shall  
18 include, but is not limited to, all of the following for each  
19 renaissance zone:

20 (a) Number of new jobs created.

21 (b) Percentage change in aggregate taxable value and state  
22 equalized value.

23 (c) Average wage of new jobs created.

24 (d) Percentage change of adjusted gross income of residents.

25 (E) **THE NUMBER OF MICHIGAN RESIDENTS EMPLOYED IN NEW JOBS IN**  
26 **THE IMMEDIATELY PRECEDING YEAR.**

27 (F) **THE TOTAL NUMBER OF NEW JOBS CREATED IN THE IMMEDIATELY**

1 PRECEDING YEAR.

2 (G) THE SPECIFIC REASONS FOR EACH DETERMINATION OF EXEMPTION  
3 FROM THE PROVISIONS OF SECTION 8I(A) OR (B) MADE BY THE BOARD OR  
4 THE MICHIGAN STRATEGIC FUND AND THE NUMBER OF JOBS RELATED TO EACH  
5 DETERMINATION.

6 Sec. 16. A state research university shall annually report to  
7 the legislature on the economic effects of this act in each  
8 renaissance zone. The report shall include, but is not limited to,  
9 all of the following for each renaissance zone:

10 (a) Number of new jobs created.

11 (b) Percentage change in aggregate taxable value and state  
12 equalized value.

13 (c) Average wage of new jobs created.

14 (d) Percentage change of adjusted gross income of residents.

15 (E) THE NUMBER OF MICHIGAN RESIDENTS EMPLOYED IN NEW JOBS IN  
16 THE IMMEDIATELY PRECEDING YEAR.

17 (F) THE TOTAL NUMBER OF NEW JOB CREATED IN THE IMMEDIATELY  
18 PRECEDING YEAR.

19 (G) THE SPECIFIC REASONS FOR EACH DETERMINATION OF EXEMPTION  
20 FROM THE PROVISIONS OF SECTION 8I(A) OR (B) MADE BY THE BOARD OR  
21 THE MICHIGAN STRATEGIC FUND AND THE NUMBER OF JOBS RELATED TO EACH  
22 DETERMINATION.