

**SUBSTITUTE FOR  
SENATE BILL NO. 242**

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending section 9 (MCL 125.2009), as amended by 2014 PA 503,  
and by adding chapter 8D.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 9. (1) The fund shall transmit to each member of the  
2 legislature, the governor, the clerk of the house of  
3 representatives, the secretary of the senate, and the senate and  
4 house fiscal agencies annually a report of its activities. The  
5 report shall be transmitted not later than April 10 of each year  
6 for activities in the immediately preceding state fiscal year. The  
7 report shall not include information exempt from disclosure under  
8 section 5. The report shall include, but is not limited to, all of  
9 the following for each program operated under this act:

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

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

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

4 (d) For each separate form of financial assistance, all of the  
5 following:

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

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

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

12 (iv) The actual number of retained jobs that are not temporary  
13 employees.

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

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

18 (e) The duration of the financial assistance.

19 (f) The amount of financial support other than state  
20 resources.

21 (g) Money or other revenue or property returned to the fund,  
22 including any repayments through a clawback provision in the  
23 agreement.

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

25 (i) A list of all entities that are in bankruptcy, that the  
26 fund has received actual notice of, filed by a direct recipient of  
27 an active single incentive of at least \$500,000.00. In addition,

1 the fund shall, within 120 days after the fund receives notice,  
2 provide a report of the notice of bankruptcy on its website and  
3 shall forward the report to each of the following:

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

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

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

7 (iv) The members of the house appropriations subcommittee on  
8 general government.

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

10 (vi) The members of the senate appropriations subcommittee on  
11 general government.

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

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

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

23 (3) The fund shall also transmit the audit described in  
24 subsection (2) to the chairperson and minority vice-chairperson of  
25 the senate appropriations subcommittee on general government and  
26 the house of representatives appropriations subcommittee on general  
27 government. The fund shall make the report and audit available to

1 the public on the fund's website.

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

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

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

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

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

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

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

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

26 (d) For each qualified business, whether it is a new business,  
27 whether it is an expansion of an existing business, or whether it

1 relocated from outside of this state.

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

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

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

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

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

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

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

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

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

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

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

26 (c) The total actual amount of square footage revitalized or  
27 added for each project approved under section 90d as reported to

1 the fund. When reporting square footage, the person must report the  
2 square footage by category, including, but not limited to,  
3 commercial, residential, or retail.

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

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

11 (f) Each project that received a community revitalization  
12 incentive outside the fund program standards and guidelines and why  
13 the variance was given.

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

20 (a) The chairperson and minority vice-chairperson of the house  
21 commerce committee.

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

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

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

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

5 (a) Section 88b.

6 (b) Section 88h.

7 (c) Section 90b.

8 (10) The report described in subsection (1) shall also  
9 include, but is not limited to, all of the following for all  
10 actions for business incubators approved by the fund after ~~the~~  
11 ~~effective date of the amendatory act that added this~~  
12 ~~subsection~~: **JANUARY 14, 2015:**

13 (a) The number of new jobs created and projected new job  
14 growth by current clients of the business incubator.

15 (b) Amounts of other funds leveraged by current clients of the  
16 business incubator.

17 (c) Increases in revenue for current clients of the business  
18 incubator.

19 (11) The report described in subsection (1) shall also include  
20 the actual repayments received by the fund for failure to comply  
21 with clawback provisions of the written agreement under all of the  
22 following:

23 (a) Section 78.

24 (b) Section 88d.

25 (c) Section 88k.

26 (d) Section 88q.

27 (e) Section 88r.

1 (f) Section 90b.

2 (12) Beginning on July 1, 2015, the fund shall post on the  
3 fund's website a list of each contract, agreement, or other written  
4 loan or grant documentation for financial assistance under sections  
5 88r and 90b that the fund entered into or modified in the  
6 immediately preceding fiscal year.

7 (13) Beginning on July 1, 2015, the fund shall post and update  
8 periodically all of the following on its website for all loans made  
9 under sections 88r and 90b:

10 (a) A description of the project for which the loan was made.

11 (b) The total amount of the loan.

12 (c) Whether payments on the loan balance are current or  
13 delinquent.

14 (d) The interest rate of the loan.

15 (14) Beginning July 1, 2015, the report described in  
16 subsection (1) shall also contain all of the following for each  
17 program that provides financial assistance under this act that  
18 requires a site visit:

19 (a) A copy of the site visit guidelines for that program.

20 (b) The number of site visits conducted under that program.

21 (c) The chief compliance officer shall review and evaluate  
22 compliance with the site visit guidelines.

23 (15) The fund shall post on its website and update  
24 periodically all of the information described in subsection (14).

25 **(16) THE REPORT DESCRIBED IN SUBSECTION (1) MUST ALSO INCLUDE,**  
26 **BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING FOR ALL WRITTEN**  
27 **AGREEMENTS RELATED TO THE GOOD JOBS FOR MICHIGAN PROGRAM CREATED**



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 1 UNDER CHAPTER 8D:

2 (A) THE NAME OF THE AUTHORIZED BUSINESS.

3 (B) THE NUMBER OF CERTIFIED NEW JOBS REQUIRED TO BE  
 4 MAINTAINED.

5 (C) THE AMOUNT AND DURATION OF THE WITHHOLDING TAX CAPTURE  
 6 REVENUES.

7 (17) ~~(16)~~As used in this section, "financial assistance"  
 8 means grants, loans, other economic assistance, and any other  
 9 incentives or assistance under this act.

10 CHAPTER 8D

11 SEC. 90G. AS USED IN THIS CHAPTER:

12 (A) "AUTHORIZED BUSINESS" MEANS AN ELIGIBLE BUSINESS THAT HAS  
 13 MET THE REQUIREMENTS OF THIS CHAPTER AND WITH WHICH THE FUND HAS  
 14 ENTERED INTO A WRITTEN AGREEMENT FOR WITHHOLDING TAX CAPTURE  
 15 REVENUES PURSUANT TO THIS CHAPTER AND SECTION 51F OF THE INCOME TAX  
 16 ACT OF 1967, 1967 PA 281, MCL 206.51F.

17 (B) "CASINO" MEANS A CASINO REGULATED BY THIS STATE UNDER THE  
 18 MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.201 TO  
 19 432.226, A CASINO AT WHICH GAMING IS CONDUCTED UNDER THE INDIAN  
 20 GAMING REGULATORY ACT, PUBLIC LAW 100-497, 102 STAT 2467, OR  
 21 PROPERTY ASSOCIATED OR AFFILIATED WITH THE OPERATION OF EITHER TYPE  
 22 OF CASINO DESCRIBED IN THIS SUBDIVISION, INCLUDING, BUT NOT LIMITED  
 23 TO, A PARKING LOT, HOTEL, OR MOTEL.

24 (C) "CERTIFIED NEW JOB" MEANS A FULL-TIME JOB CREATED BY AN  
 25 AUTHORIZED BUSINESS AT A FACILITY IN THIS STATE THAT IS IN EXCESS  
 26 OF THE NUMBER OF FULL-TIME JOBS THAT AUTHORIZED BUSINESS MAINTAINED  
 27 IN THIS STATE PRIOR TO THE EXPANSION OR LOCATION [AND THE NUMBER OF FULL-  
 -TIME JOBS THAT THE AUTHORIZED BUSINESS ACQUIRED THROUGH A MERGER OR  
 ACQUISITION THAT WERE LOCATED IN THIS STATE PRIOR TO THE EXPANSION OR  
 LOCATION], AS DETERMINED BY

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1 **THE FUND.** [PURSUANT TO A WRITTEN AGREEMENT BETWEEN THE AUTHORIZED  
 BUSINESS, THE FUND, AND THE PRIMARY SUPPLIER, CERTIFIED NEW JOBS FOR AN  
 AUTHORIZED BUSINESS DESCRIBED IN SUBDIVISION (D) (i) MAY, AS DETERMINED BY  
 THE FUND, INCLUDE THE NUMBER OF THOSE NEW JOBS CREATED BY THE PRIMARY  
 SUPPLIER OF THAT AUTHORIZED BUSINESS AS A RESULT OF THE NEW OR INCREASED  
 BUSINESS ACTIVITY WITH THAT AUTHORIZED BUSINESS AS DETERMINED BY THE  
 FUND.]

2 [(D) "ELIGIBLE BUSINESS" MEANS A BUSINESS OTHER THAN A RETAIL  
 3 ESTABLISHMENT, PROFESSIONAL SPORTS STADIUM, CASINO, OR THAT PORTION OF AN  
 4 ELIGIBLE BUSINESS USED EXCLUSIVELY FOR RETAIL SALES THAT PROPOSES TO

5 CREATE 1 OR MORE OF THE FOLLOWING:

6 (i) A MINIMUM OF 3,000 CERTIFIED NEW JOBS IN THIS STATE WITH AND  
 7 AVERAGE ANNUAL WAGE THAT IS EQUAL TO OR GREATER THAN THE  
 8 PROSPERITY REGION AVERAGE WAGE.

9 (ii) A MINIMUM OF 500 CERTIFIED NEW JOBS IN THIS STATE WITH AN  
 10 AVERAGE ANNUAL WAGE THAT IS EQUAL TO OR GREATER THAN THE PROSPERITY  
 REGION AVERAGE WAGE.

(iii) A MINIMUM OF 250 CERTIFIED NEW JOBS IN THIS STATE WITH AN  
 AVERAGE ANNUAL WAGE THAT IS EQUAL TO 125% OR MORE OF THE PROSPERITY  
 REGION AVERAGE WAGE.]

11 (E) "FACILITY" MEANS A SITE OR SITES WITHIN THIS STATE IN  
 12 WHICH AN AUTHORIZED BUSINESS CREATES CERTIFIED NEW JOBS.

13 (F) "FULL-TIME JOB" MEANS A FULL-TIME JOB AS DETERMINED BY THE  
 14 FUND PERFORMED BY AN INDIVIDUAL WHOSE INCOME AND SOCIAL SECURITY  
 15 TAXES ARE WITHHELD BY 1 OR MORE OF THE FOLLOWING:

(i) AN AUTHORIZED BUSINESS.

(ii) AN EMPLOYEE LEASING COMPANY.

18 (iii) A PROFESSIONAL EMPLOYER ORGANIZATION ON BEHALF OF THE  
 19 AUTHORIZED BUSINESS.

20 (G) "GOOD JOBS FOR MICHIGAN FUND" MEANS THE GOOD JOBS FOR  
 21 MICHIGAN FUND CREATED IN SECTION 90J.

22 (H) "MUNICIPALITY" MEANS THAT TERM AS DEFINED IN SECTION 4.

[(I) "PRIMARY SUPPLIER" MEANS AN ENTITY THAT CREATES NOT FEWER THAN 25  
 NEW JOBS IN THIS STATE AND THAT PROVIDES BOTH OF THE FOLLOWING TO AN  
 AUTHORIZED BUSINESS PURSUANT TO A WRITTEN AGREEMENT UNDER THIS CHAPTER:

(i) A MINIMUM OF \$5,000,000.00 IN TANGIBLE PERSONAL PROPERTY  
 ANNUALLY AS DETERMINED BY THE FUND.

(ii) A MINIMUM OF 10% OF THE TANGIBLE PERSONAL PROPERTY USED BY THE  
 AUTHORIZED BUSINESS ANNUALLY AS DETERMINED BY THE FUND.]

23 (J) "PROSPERITY REGION" MEANS EACH OF THE 10 PROSPERITY

24 REGIONS IDENTIFIED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND

25 BUDGET ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS

26 SECTION.

27 (K) "PROSPERITY REGION AVERAGE WAGE" MEANS THE AVERAGE ANNUAL

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1 WAGE FOR THE PROSPERITY REGION WHERE THE FACILITY IS LOCATED BASED  
2 ON THE MOST RECENT DATA MADE AVAILABLE BY THE MICHIGAN BUREAU OF  
3 LABOR MARKET INFORMATION AND STRATEGIC INITIATIVES.

4 (L) "WITHHOLDING TAX CAPTURE REVENUES" MEANS THE AMOUNT OF  
5 INCOME TAX WITHHELD UNDER PART 3 OF THE INCOME TAX ACT OF 1967,  
6 1967 PA 281, MCL 206.701 TO 206.713, EACH CALENDAR YEAR THAT IS  
7 ATTRIBUTABLE TO INDIVIDUALS EMPLOYED WITHIN CERTIFIED NEW JOBS. THE  
8 STATE TREASURER SHALL DEVELOP METHODS AND PROCESSES THAT ARE  
9 NECESSARY FOR EACH AUTHORIZED BUSINESS TO REPORT THE AMOUNT OF  
10 WITHHOLDING UNDER PART 3 OF THE INCOME TAX ACT OF 1967, 1967 PA  
11 281, MCL 206.701 TO 206.713, FROM INDIVIDUALS EMPLOYED WITHIN  
12 CERTIFIED NEW JOBS.

13 (M) "WRITTEN AGREEMENT" MEANS A WRITTEN AGREEMENT MADE BETWEEN  
14 THE ELIGIBLE BUSINESS AND THE FUND PURSUANT TO THIS CHAPTER.

15 SEC. 90H. (1) THE FUND SHALL CREATE AND OPERATE THE GOOD JOBS  
16 FOR MICHIGAN PROGRAM TO AUTHORIZE THE TRANSFER OF THE DEDICATED  
17 PORTION OF WITHHOLDING TAX CAPTURE REVENUES TO AUTHORIZED  
18 BUSINESSES THAT PROVIDE CERTIFIED NEW JOBS IN THIS STATE. THE FUND  
19 SHALL DEVELOP AND USE A DETAILED APPLICATION, APPROVAL, AND  
20 COMPLIANCE PROCESS PUBLISHED AND AVAILABLE ON THE FUND'S WEBSITE.

21 (2) AN ELIGIBLE BUSINESS MAY APPLY TO THE FUND TO ENTER INTO A  
22 WRITTEN AGREEMENT WHICH AUTHORIZES THE PAYMENT OF WITHHOLDING TAX  
23 CAPTURE REVENUES UNDER THIS CHAPTER.

24 (3) THE FUND MAY REQUEST INFORMATION, IN ADDITION TO THAT  
25 CONTAINED IN AN APPLICATION, AS MAY BE NEEDED TO PERMIT THE FUND TO  
26 DISCHARGE ITS RESPONSIBILITIES UNDER THIS CHAPTER.

27 (4) AFTER RECEIPT OF AN APPLICATION, THE FUND MAY ENTER INTO

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1 AN AGREEMENT WITH AN ELIGIBLE BUSINESS FOR WITHHOLDING TAX CAPTURE  
2 REVENUES UNDER THIS CHAPTER IF THE FUND DETERMINES THAT ALL OF THE  
3 FOLLOWING ARE MET:

4 [(A) THE ELIGIBLE BUSINESS PROPOSES TO CREATE AND MAINTAIN THE  
5 MINIMUM NUMBER OF CERTIFIED NEW JOBS AT A FACILITY IN THIS STATE AND TO  
6 PAY AN AVERAGE ANNUAL WAGE THAT IS DESCRIBED IN SECTION 90G(D) .

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9 ]  
10 (B) IN ADDITION TO THE JOBS SPECIFIED IN SUBDIVISION (A) , THE  
11 ELIGIBLE BUSINESS, IF ALREADY LOCATED WITHIN THIS STATE, AGREES TO  
12 MAINTAIN A NUMBER OF FULL-TIME JOBS EQUAL TO OR GREATER THAN THE  
13 NUMBER OF FULL-TIME JOBS IT MAINTAINED IN THIS STATE PRIOR TO THE  
14 EXPANSION, AS DETERMINED BY THE FUND.

15 (C) THE PLANS FOR THE EXPANSION OR LOCATION ARE ECONOMICALLY  
16 SOUND.

17 (D) THE EXPANSION OR LOCATION OF THE ELIGIBLE BUSINESS WILL  
18 BENEFIT THE PEOPLE OF THIS STATE BY INCREASING OPPORTUNITIES FOR  
19 EMPLOYMENT AND BY STRENGTHENING THE ECONOMY OF THIS STATE.

20 (E) THE WITHHOLDING TAX CAPTURE REVENUES OFFERED UNDER THIS  
21 CHAPTER AND PAID FROM THE GOOD JOBS FOR MICHIGAN FUND IS AN  
22 INCENTIVE TO EXPAND OR LOCATE THE ELIGIBLE BUSINESS IN THIS STATE  
23 AND ADDRESS THE COMPETITIVE DISADVANTAGES WITH SITES OUTSIDE THIS  
24 STATE.

25 (F) AN INDUSTRY-RECOGNIZED REGIONAL ECONOMIC MODEL COST-  
26 BENEFIT ANALYSIS REVEALS THAT THE PAYMENT OF WITHHOLDING TAX  
27 CAPTURE REVENUES UNDER THIS CHAPTER TO AN ELIGIBLE BUSINESS WILL

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1 RESULT IN AN OVERALL POSITIVE FISCAL IMPACT TO THE STATE.

2 (G) THE ELIGIBLE BUSINESS WILL CREATE THE REQUISITE NUMBER OF  
3 CERTIFIED NEW JOBS WITHIN NOT MORE THAN 5 YEARS AFTER ENTERING INTO  
4 THE WRITTEN AGREEMENT AS DETERMINED BY THE FUND.

5 (H) THE ELIGIBLE BUSINESS WILL MAINTAIN THE NUMBER OF  
6 CERTIFIED NEW JOBS THROUGHOUT THE DURATION OF THE PERIOD OF TIME  
7 THAT THE AUTHORIZED BUSINESS RECEIVES WITHHOLDING TAX CAPTURE  
8 REVENUES PAID FROM THE GOOD JOBS FOR MICHIGAN FUND. HOWEVER, IF THE  
9 AUTHORIZED BUSINESS FAILS TO MAINTAIN THE REQUISITE NUMBER OF  
10 CERTIFIED NEW JOBS AS PROVIDED IN THE WRITTEN AGREEMENT, THE  
11 AUTHORIZED BUSINESS WILL FORFEIT THE WITHHOLDING TAX CAPTURE  
12 REVENUES FOR THAT CALENDAR YEAR.

13 [(I) THAT THE LOCAL GOVERNING BODY OF THE MUNICIPALITY IN WHICH THE  
14 FACILITY IS LOCATED APPROVES THE EXPANSION OR NEW LOCATION BY  
15 RESOLUTION.

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19 (5) IF THE FUND DETERMINES ] THAT THE ELIGIBLE BUSINESS  
20 SATISFIES ALL OF THE REQUIREMENTS OF SUBSECTION (4), SUBJECT TO  
21 SUBSECTION (6), THE FUND SHALL DETERMINE THE AMOUNT AND DURATION OF  
22 THE WITHHOLDING TAX CAPTURE REVENUES TO BE AUTHORIZED UNDER THIS  
23 CHAPTER AND SHALL ENTER INTO A WRITTEN AGREEMENT AS PROVIDED IN  
24 THIS SECTION. THE DURATION OF THE WITHHOLDING TAX CAPTURE REVENUES  
25 MUST NOT EXCEED 5 OR 10 YEARS, WHICHEVER IS APPLICABLE BASED ON THE  
26 AVERAGE ANNUAL WAGE OF THE CERTIFIED NEW JOBS, FROM THE DATE THE  
27 AUTHORIZED BUSINESS CREATES THE CERTIFIED NEW JOBS AS PROVIDED IN

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1 THE WRITTEN AGREEMENT. SUBJECT TO SUBSECTION (6), IN DETERMINING  
 2 THE MAXIMUM AMOUNT AND MAXIMUM DURATION OF THE WITHHOLDING TAX  
 3 CAPTURE REVENUES AUTHORIZED, THE FUND SHALL CONSIDER THE FOLLOWING  
 4 FACTORS, IF APPLICABLE:

5 (A) THE NUMBER OF CERTIFIED NEW JOBS TO BE CREATED.

6 (B) THE DEGREE TO WHICH THE AVERAGE ANNUAL WAGE OF THE  
 7 CERTIFIED NEW JOBS EXCEEDS THE PROSPERITY REGION AVERAGE WAGE.

8 (C) WHETHER THERE IS A DISADVANTAGE TO THE ELIGIBLE BUSINESS  
 9 IF IT WERE TO EXPAND OR LOCATE IN THIS STATE VERSUS A SITE OUTSIDE  
 10 THIS STATE.

11 (D) THE POTENTIAL IMPACT OF THE EXPANSION OR LOCATION ON THE  
 12 ECONOMY OF THIS STATE.

13 (E) THE ESTIMATED COST OF THE REIMBURSEMENT OF WITHHOLDING TAX  
 14 CAPTURE REVENUES UNDER THIS CHAPTER, THE STAFF, FINANCIAL, OR  
 15 ECONOMIC ASSISTANCE PROVIDED BY THE MUNICIPALITY, OR LOCAL ECONOMIC  
 16 DEVELOPMENT CORPORATION OR SIMILAR ENTITY, AND THE VALUE OF  
 17 ASSISTANCE OTHERWISE PROVIDED BY THIS STATE.

18 (F) WHETHER THE EXPANSION OR LOCATION WILL OCCUR IN THIS STATE  
 19 WITHOUT THE PAYMENT OF WITHHOLDING TAX CAPTURE REVENUES OFFERED  
 20 UNDER THIS CHAPTER.

[ (G) WHETHER THE ELIGIBLE BUSINESS HAS MADE A WRITTEN COMMITMENT TO FUND  
 SOME PORTION OF COSTS FOR APPLICABLE TRAINING OF THE INDIVIDUALS THAT  
 WILL PERFORM THE FULL-TIME JOBS THAT LEADS TO A PROFESSIONAL OR TECHNICAL  
 CERTIFICATION FOR THESE INDIVIDUALS. ]

[ (H) THAT THE ELIGIBLE BUSINESS WILL MAKE A GOOD-FAITH EFFORT TO EMPLOY,  
 IF QUALIFIED, MICHIGAN RESIDENTS AT THE FACILITY. ]

21 [(6) THE FUND SHALL DETERMINE THE DURATION AND AMOUNT OF THE  
 22 WITHHOLDING TAX CAPTURE REVENUES. IN DETERMINING THE DURATION OF THE  
 23 WITHHOLDING TAX CAPTURE REVENUES, THE FUND SHALL PROVIDE A DURATION OF UP  
 24 TO 5 YEARS FOR ELIGIBLE BUSINESSES DESCRIBED IN SECTION 90G(D) (ii) AND UP  
 25 TO A DURATION OF 10 YEARS FOR ELIGIBLE BUSINESSES DESCRIBED IN SECTION  
 26 90G(D) (i) OR (iii). IN DETERMINING THE AMOUNT OF THE WITHHOLDING TAX  
 27 CAPTURE REVENUE PAYMENTS, THE FUND MAY APPROVE A PAYMENT OF NOT MORE THAN  
 50% OF THE WITHHOLDING TAX CAPTURE REVENUES FOR AN ELIGIBLE BUSINESS

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1 DESCRIBED IN SECTION 90G(D) (ii) AND A PAYMENT OF UP TO 100% OF THE  
2 WITHHOLDING TAX CAPTURE REVENUES FOR AN ELIGIBLE BUSINESS DESCRIBED IN  
3 SECTION 90G(D) (i) OR (iii). THE AMOUNT OF WITHHOLDING TAX CAPTURE  
4 REVENUES CERTIFIED TO BE PAID TO AN AUTHORIZED BUSINESS SHALL BE REDUCED  
5 BY 5%, WHICH SHALL BE RETAINED BY THE FUND FOR ADDITIONAL ADMINISTRATIVE  
6 EXPENSES UNDER THIS CHAPTER AS PROVIDED UNDER SECTION 90I.

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14 (7) A WRITTEN AGREEMENT BETWEEN AN ELIGIBLE BUSINESS AND THE  
15 FUND MUST INCLUDE, BUT NEED NOT BE LIMITED TO, ALL OF THE  
16 FOLLOWING:

17 (A) A DESCRIPTION OF THE BUSINESS EXPANSION OR LOCATION THAT  
18 IS THE SUBJECT OF THE WRITTEN AGREEMENT.

19 (B) CONDITIONS UPON WHICH THE AUTHORIZED BUSINESS DESIGNATION  
20 IS MADE.

21 (C) A STATEMENT FROM THE ELIGIBLE BUSINESS THAT THE ELIGIBLE  
22 BUSINESS WOULD NOT HAVE ADDED CERTIFIED NEW JOBS WITHOUT THE  
23 WITHHOLDING TAX CAPTURE REVENUE PAYMENTS AUTHORIZED UNDER THIS  
24 CHAPTER.

25 (D) AN ESTIMATE OF THE AMOUNT OF WITHHOLDING TAX CAPTURE  
26 REVENUES EXPECTED TO BE GENERATED FOR EACH CALENDAR YEAR OF THE  
27 DURATION OF THE WRITTEN AGREEMENT.

1 (E) A STATEMENT BY THE ELIGIBLE BUSINESS THAT A VIOLATION OF  
2 THE WRITTEN AGREEMENT MAY RESULT IN THE REVOCATION OF THE  
3 DESIGNATION AS AN AUTHORIZED BUSINESS, THE LOSS OR REDUCTION OF  
4 FUTURE WITHHOLDING TAX CAPTURE REVENUE PAYMENTS UNDER THIS CHAPTER,  
5 OR A REPAYMENT OF WITHHOLDING TAX CAPTURE REVENUES RECEIVED  
6 PURSUANT TO THIS CHAPTER.

7 (F) A STATEMENT BY THE ELIGIBLE BUSINESS THAT A  
8 MISREPRESENTATION IN THE APPLICATION MAY RESULT IN THE REVOCATION  
9 OF THE DESIGNATION AS AN AUTHORIZED BUSINESS AND THE REPAYMENT OF  
10 WITHHOLDING TAX CAPTURE REVENUES RECEIVED UNDER THIS CHAPTER PLUS A  
11 PENALTY EQUAL TO 10% OF THE WITHHOLDING TAX CAPTURE REVENUE  
12 PAYMENTS RECEIVED PURSUANT TO THIS CHAPTER.

13 (G) A METHOD FOR MEASURING AND VERIFYING FULL-TIME JOBS BEFORE  
14 AND AFTER AN EXPANSION OR LOCATION OF AN AUTHORIZED BUSINESS IN  
15 THIS STATE.

16 (H) A PROVISION THAT THE AUTHORIZED BUSINESS THAT IS CERTIFIED  
17 UNDER SECTION 90I(2) FOR A PAYMENT FROM THE GOOD JOBS FOR MICHIGAN  
18 FUND SHALL FILE THE REQUIRED RETURNS AND REPORTS UNDER THIS CHAPTER  
19 AND PART 3 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.701  
20 TO 206.713, WITH THE DEPARTMENT OF TREASURY, AND SHALL PROVIDE ANY  
21 OTHER INFORMATION REASONABLY REQUESTED BY THE FUND OR THE  
22 DEPARTMENT OF TREASURY.

23 (I) A MAXIMUM AMOUNT OF WITHHOLDING TAX CAPTURE REVENUES THAT  
24 THE AUTHORIZED BUSINESS MAY CLAIM BEFORE REDUCTION OF THE 5%  
25 PAYMENT DESCRIBED IN SECTION 90I FOR ADMINISTRATIVE EXPENSES.

26 (8) UPON EXECUTION OF A WRITTEN AGREEMENT AS PROVIDED IN THIS  
27 CHAPTER, AN ELIGIBLE BUSINESS IS AN AUTHORIZED BUSINESS. THE FUND



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1 SHALL PROVIDE A COPY OF EACH WRITTEN AGREEMENT TO THE DEPARTMENT OF  
2 TREASURY. UPON EXECUTION OF THE WRITTEN AGREEMENT, THE TRANSFER AND  
3 PAYMENT OF WITHHOLDING TAX CAPTURE REVENUES AS SPECIFIED IN THIS  
4 CHAPTER AND IN THE WRITTEN AGREEMENT IS BINDING ON THIS STATE. THE  
5 STATE TREASURER SHALL CALCULATE, BASED ON THE WRITTEN AGREEMENTS  
6 RECEIVED PURSUANT TO THIS SUBSECTION, THE AMOUNT OF WITHHOLDING TAX  
7 CAPTURE REVENUES COLLECTED AS A RESULT OF THE CERTIFIED NEW JOBS  
8 CREATED PURSUANT TO THOSE WRITTEN AGREEMENTS FOR EACH CALENDAR YEAR  
9 AND THE PERCENTAGE OF THAT AMOUNT THAT NEEDS TO BE TRANSFERRED FROM  
10 THE GENERAL FUND AND DEPOSITED, IN ACCORDANCE WITH SECTION 51F OF  
11 THE INCOME TAX ACT OF 1967, 1967 PA 261, MCL 206.51F, INTO THE GOOD  
12 JOBS FOR MICHIGAN FUND, WHERE THE FUND SHALL ISSUE PAYMENTS TO THE  
13 AUTHORIZED BUSINESS IN THE MANNER PROVIDED IN SECTION 90I.

14 [(9) THE FUND SHALL NOT COMMIT, AND THE DEPARTMENT OF TREASURY  
15 SHALL NOT DISBURSE, AN AMOUNT OF TOTAL WITHHOLDING TAX CAPTURE REVENUES  
16 THAT EXCEEDS \$200,000,000.00, WHICH INCLUDES THE 5% PAYMENT FOR  
17 ADMINISTRATIVE EXPENSES AS PROVIDED IN SECTION 90I. THE FUND SHALL NOT  
18 EXECUTE MORE THAN 15 NEW WRITTEN AGREEMENTS EACH CALENDAR YEAR FOR  
19 AUTHORIZED BUSINESSES. IF THE FUND APPROVES FEWER THAN 15 WRITTEN  
20 AGREEMENTS IN A CALENDAR YEAR, THEN ANY UNUSED WRITTEN AGREEMENTS SHALL  
21 CARRY FORWARD INTO FUTURE CALENDAR YEARS, AND SHALL BE IN ADDITION TO THE  
22 ANNUAL LIMIT THAT IS OTHERWISE APPLICABLE. FOR PURPOSES OF THIS  
23 SUBSECTION, "TOTAL WITHHOLDING TAX CAPTURE REVENUES" MEANS THE AGGREGATE  
24 AMOUNT OF WITHHOLDING TAX CAPTURE REVENUES THAT MAY BE DISTRIBUTED TO  
25 AUTHORIZED BUSINESSES UNDER ALL WRITTEN AGREEMENTS.

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1 ]  
2 [(10) THE FUND SHALL NOT DESIGNATE AN AUTHORIZED BUSINESS OR ENTER INTO A  
3 NEW WRITTEN AGREEMENT ON OR AFTER DECEMBER 31, 2019.]

4 SEC. 90I. (1) SUBJECT TO THE LIMITATIONS UNDER SECTION 90H(9),  
5 AN AUTHORIZED BUSINESS IS ELIGIBLE TO RECEIVE WITHHOLDING TAX  
6 CAPTURE REVENUE PAYMENTS AS PROVIDED IN THIS CHAPTER.

7 (2) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION (3), THE  
8 FUND SHALL ISSUE A WITHHOLDINGS CERTIFICATE EACH CALENDAR YEAR TO  
9 AN AUTHORIZED BUSINESS THAT STATES THE FOLLOWING:

10 (A) THAT THE ELIGIBLE BUSINESS IS AN AUTHORIZED BUSINESS.

11 (B) THE AMOUNT OF WITHHOLDING TAX CAPTURE REVENUES TO BE PAID  
12 FROM THE GOOD JOBS FOR MICHIGAN FUND FOR THE DESIGNATED CALENDAR  
13 YEAR.

14 (C) THE AUTHORIZED BUSINESS'S FEDERAL EMPLOYER IDENTIFICATION  
15 NUMBER OR THE MICHIGAN TREASURY NUMBER ASSIGNED TO THE AUTHORIZED  
16 BUSINESS.

17 (3) THE FUND SHALL PROVIDE THE DEPARTMENT OF TREASURY WITH A  
18 COPY OF EACH WITHHOLDINGS CERTIFICATE ISSUED UNDER THIS SECTION.  
19 UPON RECEIPT OF A WITHHOLDINGS CERTIFICATE, AN AUTHORIZED BUSINESS  
20 MAY REQUEST A PAYMENT FROM THE GOOD JOBS FOR MICHIGAN FUND BY  
21 FILING A COPY OF THE WITHHOLDINGS CERTIFICATE WITH THE FUND. THE  
22 FUND SHALL ISSUE THE WITHHOLDING TAX CAPTURE REVENUE PAYMENT FROM  
23 THE GOOD JOBS FOR MICHIGAN FUND WITHIN 90 DAYS OF RECEIPT OF THE  
24 REQUEST FOR PAYMENT FROM THE AUTHORIZED BUSINESS.

25 (4) IF THE AUTHORIZED BUSINESS SUBSEQUENTLY FAILS TO SATISFY  
26 AND MAINTAIN THE MINIMUM NUMBER OF CERTIFIED NEW JOBS AS REQUIRED  
27 UNDER THIS CHAPTER OR ANY OTHER CONDITIONS INCLUDED IN THE WRITTEN  
AGREEMENT, THE AUTHORIZED BUSINESS FORFEITS ITS WITHHOLDING TAX  
CAPTURE REVENUE PAYMENT FOR THE CALENDAR YEAR THAT THE AUTHORIZED

1 BUSINESS FAILS TO COMPLY WITH THIS CHAPTER OR THE WRITTEN  
2 AGREEMENT. THE FORFEITURE OF A WITHHOLDING TAX CAPTURE REVENUE  
3 PAYMENT UNDER THIS SUBSECTION DOES NOT EXTEND THE DURATION OF THE  
4 ORIGINAL WRITTEN AGREEMENT. ACCORDINGLY, IF THE DURATION OF THE  
5 WRITTEN AGREEMENT HAS NOT EXPIRED, AN AUTHORIZED BUSINESS THAT  
6 SATISFIES ALL OF THE TERMS OF THE WRITTEN AGREEMENT AFTER A  
7 FORFEITURE UNDER THIS SUBSECTION IS ENTITLED TO CERTIFICATION FOR  
8 WITHHOLDING TAX CAPTURE REVENUE PAYMENTS FOR THOSE SUBSEQUENT  
9 CALENDAR YEARS.

10 (5) IN THE EVENT OF A PROPOSED REORGANIZATION, MERGER, OR  
11 OTHER CHANGE OF OWNERSHIP OF THE AUTHORIZED BUSINESS FOR WHICH  
12 REIMBURSEMENT WILL CONTINUE PURSUANT TO A WRITTEN AGREEMENT, THE  
13 APPROVAL OF THE FUND IS REQUIRED PRIOR TO THE ASSIGNMENT OR  
14 TRANSFER OF THE WRITTEN AGREEMENT.

15 (6) THE FUND SHALL RETAIN AN AMOUNT EQUAL TO 5% OF THE  
16 WITHHOLDING TAX CAPTURE REVENUE PAYMENTS AUTHORIZED FOR THAT YEAR  
17 FOR THE FUND. THE BOARD SHALL USE THE AMOUNT DESCRIBED IN THIS  
18 SUBSECTION TO PAY FOR THE ADDITIONAL ADMINISTRATION EXPENSES UNDER  
19 THIS CHAPTER.

20 (7) AS A CONDITION OF BEING AN AUTHORIZED BUSINESS, AN  
21 AUTHORIZED BUSINESS AUTHORIZES THE FUND TO IDENTIFY THE AUTHORIZED  
22 BUSINESS AND DISCLOSE THE AMOUNT AND DURATION OF THE WITHHOLDING  
23 TAX CAPTURE REVENUE PAYMENTS. THE FUND SHALL PUBLISH THE  
24 INFORMATION DESCRIBED IN THIS SUBSECTION ON THE FUND'S WEBSITE AND  
25 INCLUDE THIS INFORMATION IN THE REPORT REQUIRED UNDER SECTION 9.

26 SEC. 90J. (1) THE GOOD JOBS FOR MICHIGAN FUND IS CREATED  
27 WITHIN THE STATE TREASURY. THE STATE TREASURER MAY RECEIVE MONEY OR

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1 OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE  
2 TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE  
3 TREASURER SHALL CREDIT ALL AMOUNTS DEPOSITED PURSUANT TO SECTION  
4 51F OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.51F, TO THE  
5 FUND AND SHALL CREDIT TO THE FUND ANY INTEREST AND EARNINGS FROM  
6 FUND INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR  
7 SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

8 (2) THE GOOD JOBS FOR MICHIGAN FUND MAY BE USED ONLY FOR 1 OR  
9 MORE OF THE FOLLOWING PURPOSES:

10 (A) TO MAKE WITHHOLDING TAX CAPTURE REVENUE PAYMENTS IN  
11 ACCORDANCE WITH A WRITTEN AGREEMENT TO AN AUTHORIZED BUSINESS  
12 WITHIN 90 DAYS AFTER RECEIPT OF A REQUEST FOR PAYMENT AND A COPY OF  
13 THE WITHHOLDING CERTIFICATE ISSUED UNDER SECTION 90I.

14 (B) TO DISTRIBUTE AN AMOUNT EQUAL TO 5% OF THE WITHHOLDING TAX  
15 CAPTURE REVENUE PAYMENTS CERTIFIED UNDER SECTION 90I TO THE  
16 MICHIGAN STRATEGIC FUND TO PAY FOR ADMINISTRATION EXPENSES.

17 Enacting section 1. This amendatory act takes effect [30] days  
18 after the date it is enacted into law.