Committee Members,

VOTE NO: On Senate Bills 269, 270, 271,272, and 278 as well as House Bills 4071, 4480, 4481, and 4482.

According to the Senior Fiscal Analyst Memo, http://www.legislature.mi.gov/documents/2013-2014/billanalysis/House/pdf/2013-HLA-0269-C030089A.pdf

"Generally, the bills would expand the authority of,and provide greater latitude to the MSF. (AND via the MSF the MEDC)
MEDC act
s as the administrative arm and provides all program services for programs created under the MSF."

The question is: Why would the people of Michigan want to expand the power and authority of any entity that is NOT subject to the Open Meetings Act and FOIA has an appointed board but uses our tax dollars?

The answer: We do not

HB 4482 is particularly egregious in the expanded powers and
Senate Bill 397 would amend the Next Michigan Development Act **to allow the board** of the Michigan Strategic Fund to designate a sixth Next Michigan Development Corporation. (Currently, only five such corporations can be designated.)

House Bill 4782 (which parallels Senate Bill 398) would amend the same act to specify that the Michigan Strategic Fund, when determining whether to designate a Next Michigan Development Corporation, must give preference to an "eligible Act 7 entity" made up of at least two contiguous counties that combined have a population of more than 103,000 **but less than 106,000** (at the 2010 census) and where the population of the largest city of one of the counties, when combined with the largest city of the other county, is more than 32,500 but less than 35,500. (**This would appear to apply to Marquette and Delta Counties and the cities of Marquette and Escanaba.**)

These bills appear to the **average Michigan citizen** *as some kind of pay off for Sen. Casperson's last minute change of heart vote on the Medicaid Expansion.*

The people of Michigan want TRANSPARENCY, ACCOUNTABILITY AND ACCESS in governemnt. Instead of introducing bills that expand the powers of entities that provide none of these our elected officials should be looking to
dissolving the MEDC, an entity that also has well documented problems of not only transparency and accountability but ethics as well.

The Mackinac Policy Center has done a series of excellent articles about the problems of the MEDC HERE

Furthermore, **according to a 2013 audit by Michigan's Auditor General the MEDC WITHHELD** information required by statue from legislators **(The Commerce Committee members especially should be interested)** that proves it's program are **UNSUCCESSFUL** in the very area the MEDC was created to accomplish, **give tax incentives to provide employment and economic impact to the State.**

Additionally, the MEDC does **NOT** effectively monitor program compliance of those who are in the program.

According to Michigan Auditor General report:

Audit Objectives

Our performance audit* of the **Renaissance Zone Program**, Michigan Economic Development Corporation (MEDC), had the following objectives:

1.To assess the effectiveness of MEDC's efforts to evaluate the Renaissance Zone Program's impact on **creating new jobs, retaining jobs, and stimulating capital investment within the State.**

2.To assess the effectiveness of MEDC's efforts to monitor Renaissance Zones for compliance with development agreement requirements.

MEDC did not ensure that all information required by statute in relation to the Renaissance Zone Program was completely and accurately reported to the Legislature. As a result, users of the annual report did not have complete and accurate information regarding the Program.

MEDC did not properly report all information required by Section 125.2695 of the Michigan Compiled Laws in the calendar year **2008**, calendar year **2009**,and calendar year **2010** annual reports **to the Legislature.**

MEDC did not adequately monitor Renaissance Zones' compliance with the requirements of their development agreements. As a result, MEDC lacks assurance that the zones are actually meeting the terms of their development **agreements.**

Also, Renaissance Zones that were out of compliance with the requirements of their development agreements continued to take advantage of the tax incentives provided by the Program while providing little or no employment and economic impact to the State.

Based primarily on information provided by the Department of Treasury, we estimate that approximately **$820 million in State and local tax revenue (aka OUR MONEY)** was abated in relation to the Program from its inception in fiscal year 1996-97 through fiscal year 2009

10. Therefore, **it is imperative that MEDC be able to determine the true value of the Program.**

Thank You,
Joan Fabiano
Grassroots in Michigan
Holt, MI

"There is but one straight course, and that is to seek truth and pursue it steadily." George Washington, letter to Edmund Randolph — 1795