

HOUSE BILL NO. 4379

March 02, 2021, Introduced by Reps. Garza, Brabec, Liberati, Cavanagh, Hood, LaGrand, Cynthia Johnson, Scott, Bolden, Kuppa, Steckloff, Peterson, Aiyash, Young, Whitsett, Brenda Carter, Tyrone Carter and Yancey and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 1995 PA 24, entitled
"Michigan economic growth authority act,"
by amending section 3 (MCL 207.803), as amended by 2010 PA 272.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Affiliated business" means a business that is at least
- 3 50% owned and controlled, directly or indirectly, by an associated
- 4 business.
- 5 (b) "Associated business" means a business that owns at least

1 50% of and controls, directly or indirectly, an authorized
2 business.

3 (c) "Authorized business" means 1 of the following:

4 (i) A single eligible business with a unique federal employer
5 identification number that has met the requirements of section 8
6 and with which the authority has entered into a written agreement
7 for a tax credit under section 9.

8 (ii) A single eligible business with a unique federal employer
9 identification number that has met the requirements of section 8,
10 except as provided in this subparagraph, and with which the
11 authority has entered into a written agreement for a tax credit
12 under section 9. An eligible business is not required to create
13 qualified new jobs or maintain retained jobs if qualified new jobs
14 are created or retained jobs are maintained by an associated
15 business, subsidiary business, affiliated business, or an employee
16 leasing company or professional employer organization that has
17 entered into a contractual service agreement with the authorized
18 business in which the employee leasing company or professional
19 employer organization withholds income and ~~social security~~ **Social**
20 **Security** taxes on behalf of the authorized business.

21 (d) "Authority" means the Michigan economic growth authority
22 created under section 4.

23 (e) "Business" means proprietorship, joint venture,
24 partnership, limited liability partnership, trust, business trust,
25 syndicate, association, joint stock company, corporation,
26 cooperative, limited liability company, or any other organization.

27 (f) "Distressed business" means a business that meets all of
28 the following as verified by the Michigan economic growth
29 authority:

1 (i) Four years immediately preceding the application to the
2 authority under this act, the business had 150 or more full-time
3 jobs in this state.

4 (ii) Within the immediately preceding 4 years, there has been a
5 reduction of not less than 30% of the number of full-time jobs in
6 this state during any consecutive 3-year period. The highest number
7 of full-time jobs within the consecutive 3-year period ~~shall~~**must**
8 be used ~~in order~~ to determine the percentage reduction of full-time
9 jobs in this subparagraph.

10 (iii) Is not a seasonal employer as defined in section 27 of the
11 Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.27.

12 (g) "Eligible business" means a distressed business or
13 business that proposes to maintain retained jobs after December 31,
14 1999 or to create qualified new jobs in this state after April 18,
15 1995 in manufacturing, mining, research and development, wholesale
16 and trade, film and digital media production, or office operations
17 or a business that is a qualified high-technology business or a
18 business that is a tourism attraction facility or a qualified
19 lodging facility. Except for a retail establishment that meets the
20 criteria in section 8(11), an eligible business does not include
21 retail establishments, professional sports stadiums, or that
22 portion of an eligible business used exclusively for retail sales.
23 Professional sports stadium does not include a sports stadium in
24 existence on June 6, 2000 that is not used by a professional sports
25 team on the date that an application related to that professional
26 sports stadium is filed under section 8.

27 (h) "Eligible next Michigan business" means a business engaged
28 in the shipment of tangible personal property via multimodal
29 commerce; a supply chain business providing a majority of its

1 services to businesses engaged in the shipment of tangible personal
2 property, including inventory, via multimodal commerce; a
3 manufacturing or assembly facility receiving a majority of its
4 production components via multimodal commerce; a manufacturing or
5 assembly facility shipping a majority of products via multimodal
6 commerce; or a light manufacturing or assembly facility that
7 packages, kits, labels, or customizes products and ships those
8 products via multimodal commerce.

9 (i) "Facility" means a site or sites within this state in
10 which an authorized business or subsidiary business maintains
11 retained jobs or creates qualified new jobs.

12 (j) "Film and digital media production" means the development,
13 preproduction, production, postproduction, and distribution of
14 single media or multimedia entertainment content for distribution
15 or exhibition to the general public in 2 or more states by any
16 means and media in any digital media format, film, or video tape,
17 including, but not limited to, a motion picture, a documentary, a
18 television series, a television miniseries, a television special,
19 interstitial television programming, long-form television,
20 interactive television, music videos, interactive games, video
21 games, internet programming, an internet video, a sound recording,
22 a video, digital animation, or an interactive website. Film and
23 digital media production also includes the development,
24 preproduction, production, postproduction, and distribution of a
25 trailer, pilot, video teaser, or demo created primarily to
26 stimulate the sale, marketing, promotion, or exploitation of future
27 investment in a film or digital media production. Film or digital
28 media production does not include the production of any of the
29 following:

1 (i) A production for which records are required to be
2 maintained with respect to any performer in the production under 18
3 USC 2257.

4 (ii) A production that includes obscene matter or an obscene
5 performance as described in 1984 PA 343, MCL 752.361 to 752.374.

6 (iii) A production that primarily consists of televised news or
7 current events.

8 (iv) A production that primarily consists of a live sporting
9 event.

10 (v) A production that primarily consists of political
11 advertising.

12 (vi) A radio program.

13 (vii) A weather show.

14 (viii) A financial market report.

15 (ix) A talk show.

16 (x) A game show.

17 (xi) A production that primarily markets a product or service.

18 (xii) An awards show or other gala event production.

19 (xiii) A production with the primary purpose of fund-raising.

20 (xiv) A production that primarily is for employee training or
21 in-house corporate advertising or other similar production.

22 (k) "Full-time job" means a job performed by an individual for
23 35 hours or more each week and whose income and ~~social security~~
24 **Social Security** taxes are withheld by 1 or more of the following:

25 (i) An authorized business.

26 (ii) An employee leasing company.

27 (iii) A professional employer organization on behalf of the
28 authorized business.

1 (iv) Another person as provided in section 8(1)(c).

2 (v) A business that sells all or part of its assets to an
3 eligible business that receives a credit under section 8(1) or (5).

4 (l) "Local governmental unit" means a county, city, village, or
5 township in this state.

6 (m) "High-technology activity" means 1 or more of the
7 following:

8 (i) Advanced computing, which is any technology used in the
9 design and development of any of the following:

10 (A) Computer hardware and software.

11 (B) Data communications.

12 (C) Information technologies.

13 (D) Film and digital media production.

14 (ii) Advanced materials, which are materials with engineered
15 properties created through the development of specialized process
16 and synthesis technology.

17 (iii) Biotechnology, which is any technology that uses living
18 organisms, cells, macromolecules, microorganisms, or substances
19 from living organisms to make or modify a product, improve plants
20 or animals, or develop microorganisms for useful purposes.
21 Biotechnology does not include human cloning as defined in section
22 16274 of the public health code, 1978 PA 368, MCL 333.16274, or
23 stem cell research with embryonic tissue.

24 (iv) Electronic device technology, which is any technology that
25 involves microelectronics, semiconductors, electronic equipment,
26 and instrumentation, radio frequency, microwave, and millimeter
27 electronics, and optical and optic-electrical devices, or data and
28 digital communications and imaging devices.

29 (v) Engineering or laboratory testing related to the

1 development of a product.

2 (vi) Technology that assists in the assessment or prevention of
3 threats or damage to human health or the environment, including,
4 but not limited to, environmental cleanup technology, pollution
5 prevention technology, or development of alternative energy
6 sources.

7 (vii) Medical device technology, which is any technology that
8 involves medical equipment or products other than a pharmaceutical
9 product that has therapeutic or diagnostic value and is regulated.

10 (viii) Product research and development.

11 (ix) Advanced vehicles technology, which is any technology that
12 involves electric vehicles, hybrid vehicles, or alternative fuel
13 vehicles, or components used in the construction of electric
14 vehicles, hybrid vehicles, or alternative fuel vehicles. For
15 purposes of this act:

16 (A) "Electric vehicle" means a road vehicle that draws
17 propulsion energy only from an on-board source of electrical
18 energy.

19 (B) "Hybrid vehicle" means a road vehicle that can draw
20 propulsion energy from both a consumable fuel and a rechargeable
21 energy storage system.

22 (x) Tool and die manufacturing.

23 (xi) Competitive edge technology as defined in section 88a of
24 the Michigan strategic fund act, 1984 PA 270, MCL 125.2088a.

25 (xii) Digital media, including internet publishing and
26 broadcasting, video gaming, web development, and entertainment
27 technology.

28 (xiii) Music production, including record production and
29 development, sound recording studios, and integrated high-

1 technology record production and distribution.

2 (xiv) Film and video, including motion picture and video
3 production and distribution, postproduction services, and
4 teleproduction and production services.

5 (n) "Multimodal commerce" means the movement of products or
6 services via 2 of the following:

7 (i) Air.

8 (ii) Road.

9 (iii) Rail.

10 (iv) Water.

11 (o) "New capital investment" means 1 or more of the following:

12 (i) New construction. As used in this subparagraph:

13 (A) "New construction" means property not in existence on the
14 date the authorized business enters into a written agreement with
15 the authority and not replacement construction. New construction
16 includes the physical addition of equipment or furnishings, subject
17 to section 27(2) (a) to ~~(e)~~ **(q)** of the general property tax act,
18 1893 PA 206, MCL 211.27.

19 (B) "Replacement construction" means that term as defined in
20 section 34d(1) (b) (v) of the general property tax act, 1893 PA 206,
21 MCL 211.34d.

22 (ii) The purchase of new personal property. As used in this
23 subparagraph, "new personal property" means personal property that
24 is not subject to or that is exempt from the collection of taxes
25 under the general property tax act, 1893 PA 206, MCL 211.1 to
26 211.155, on the date the authorized business enters into a written
27 agreement with the authority.

28 (p) "Qualified high-technology business" means a business or
29 facility whose primary business activity is high-technology

1 activity or a qualified high-wage activity.

2 (q) "Qualified high-wage activity" means a business that has
3 an average wage of 300% or more of the federal minimum wage.
4 Qualified high-wage activity may also include, but is not limited
5 to, 1 or more of the following as long as they have an average wage
6 of 300% or more of the federal minimum wage:

7 (i) Architecture and design, including architectural design,
8 graphic design, interior design, fashion design, and industrial
9 design.

10 (ii) Advertising and marketing, including advertising and
11 marketing firms and agencies, public relations agencies, and
12 display advertising.

13 (r) "Qualified lodging facility" means 1 or more of the
14 following:

15 (i) Lodging facilities that constitute a portion of a tourism
16 attraction facility and represent less than 50% of the total cost
17 of the tourism attraction facility, or the lodging facilities are
18 to be located on recreational property owned or leased by the
19 municipal, state, or federal government.

20 (ii) The lodging facilities involve the restoration or
21 rehabilitation of a structure that is listed individually in the
22 national register of historic places or are located in a national
23 register historic district and certified by this state as
24 contributing to the historic significance of the district, and the
25 rehabilitation or restoration project has been approved in advance
26 by this state.

27 (s) "Qualified new job" means 1 of the following:

28 (i) A full-time job created by an authorized business at a
29 facility that is in excess of the number of full-time jobs the

1 authorized business maintained in this state prior to the expansion
2 or location, as determined by the authority.

3 (ii) For jobs created after July 1, 2000, a full-time job at a
4 facility created by an eligible business that is in excess of the
5 number of full-time jobs maintained by that eligible business in
6 this state up to 90 days before the eligible business became an
7 authorized business, as determined by the authority.

8 (iii) For a distressed business, a full-time job at a facility
9 that is in excess of the number of full-time jobs maintained by
10 that eligible business in this state on the date the eligible
11 business became an authorized business.

12 (t) "Retained jobs" means the number of full-time jobs at a
13 facility of an authorized business maintained in this state on a
14 specific date as that date and number of jobs is determined by the
15 authority.

16 (u) "Rural business" means an eligible business located in a
17 county with a population of 90,000 or less.

18 (v) "Subsidiary business" means a business that is directly or
19 indirectly controlled or at least 80% owned by an authorized
20 business.

21 (w) "Tourism attraction facility" means a cultural or
22 historical site, a recreation or entertainment facility, an area of
23 natural phenomena or scenic beauty, or an entertainment destination
24 center as determined by the Michigan economic growth authority as
25 follows:

26 (i) In making a determination, the Michigan economic growth
27 authority shall consider all of the following:

28 (A) Whether the facility will actually attract tourists.

29 (B) Whether 50% or more of the persons using the facility

1 reside outside a 100-mile radius.

2 (C) Whether 50% or more of the gross receipts are from
3 admissions, food, or nonalcoholic drinks.

4 (D) Whether the facility offers a unique experience.

5 (ii) The Michigan economic growth authority shall not determine
6 any of the following as a tourism attraction facility:

7 (A) Facilities, other than an entertainment destination
8 center, that are primarily devoted to the retail sale of goods, a
9 theme restaurant destination attraction, or a tourism attraction
10 where the attraction is a secondary and subordinate component to
11 the sale of goods.

12 (B) Recreational facilities that do not serve as a likely
13 destination where individuals who are not residents of the state
14 would remain overnight in commercial lodging at or near the
15 facility.

16 (x) "Written agreement" means a written agreement made
17 pursuant to section 8. A written agreement may address new jobs,
18 qualified new jobs, full-time jobs, retained jobs, or any
19 combination of new jobs, qualified new jobs, full-time jobs, or
20 retained jobs.

21 Enacting section 1. This amendatory act does not take effect
22 unless Senate Bill No. ____ or House Bill No. 4378 (request no.
23 01310'21) of the 101st Legislature is enacted into law.