

HOUSE BILL No. 5289

November 12, 2003, Introduced by Reps. Shulman, Hunter, Hummel, DeRossett, Amos, Newell, Steil, Emmons, Acciavatti, Vander Veen, Stahl, Kooiman, Hoogendyk, Brandenburg, Farhat and Taub and referred to the Committee on Commerce.

A bill to require certain state departments, agencies, and public entities to follow certain requirements when operating grant programs; to gather and to report certain information to the legislative branch; to impose certain penalties; and to provide certain remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "economic development and fiscal accountability act".

3 Sec. 2. As used in this act:

4 (a) "Economic development benefits" means the amount of the
5 abatements, grants, tax credits, or exemptions related to
6 economic development activities as determined by the Michigan
7 economic development corporation provided under the following
8 acts:

9 (i) The single business tax act, 1975 PA 228, MCL 208.1 to

- 1 208.145.
- 2 (ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to
3 206.532.
- 4 (iii) 1974 PA 198, MCL 207.551 to 207.572.
- 5 (iv) The enterprise zone act, 1985 PA 224, MCL 125.2101 to
6 125.2123.
- 7 (v) 1953 PA 189, MCL 211.181 to 211.182.
- 8 (vi) The technology park development act, 1984 PA 385,
9 MCL 207.701 to 207.718.
- 10 (vii) Part 511 of the natural resources and environmental
11 protection act, 1994 PA 451, MCL 324.51101 to 324.51120.
- 12 (viii) The neighborhood enterprise zone act, 1992 PA 147,
13 MCL 207.771 to 207.786.
- 14 (ix) The city income tax act, 1964 PA 284, MCL 141.501 to
15 141.787.
- 16 (x) The general property tax act, 1893 PA 206, MCL 211.1 to
17 211.157.
- 18 (xi) The Michigan economic growth authority act, 1995 PA 24,
19 MCL 207.801 to 207.810.
- 20 (xii) The Michigan renaissance zone act, 1996 PA 376,
21 MCL 125.2681 to 125.2696.
- 22 (xiii) The obsolete property rehabilitation act, 2000 PA 146,
23 MCL 125.2781 to 125.2797.
- 24 (xiv) The brownfield redevelopment financing act, 1996
25 PA 381, MCL 125.2651 to 125.2672.
- 26 (b) "Michigan economic development corporation" means the
27 public body corporate created under section 28 of article VII of

1 the state constitution of 1963 and the urban cooperation act of
2 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a
3 contractual interlocal agreement effective April 5, 1999 between
4 local participating economic development corporations formed
5 under the economic development corporations act, 1974 PA 338,
6 MCL 125.1601 to 125.1636, and the Michigan strategic fund.

7 Sec. 3. Beginning October 1, 2003, the Michigan economic
8 development corporation shall not make a grant under a grant
9 program administered by the Michigan economic development
10 corporation to any entity unless all of the following are met:

11 (a) The grant program has specific established goals and
12 performance measures for the specific goals.

13 (b) The grant program provides for oversight, independent
14 verification, and evaluation of the established grant program
15 goals.

16 (c) The recipient of the grant agrees in writing that any
17 violations of the terms of the grant by the recipient shall
18 result in the withholding of any additional grants and that the
19 recipient is liable to repay the portion of the grant proceeds
20 that represents the proportion of the specific goals that were
21 not met as determined by the Michigan economic development
22 corporation.

23 Sec. 4. (1) Not later than January 15 of each year, the
24 Michigan economic development corporation, in conjunction with
25 the department of treasury, shall report to each member of the
26 senate and house of representatives appropriations committees on
27 the economic development benefits provided by this state and

1 local units of government in this state in the previous state
2 fiscal year.

3 (2) The report described in subsection (1) shall contain, but
4 is not limited to, all of the following:

5 (a) The total number of new jobs created in this state by the
6 economic development benefits.

7 (b) The total amount of new capital attracted by the economic
8 development benefits.

9 (c) The name of the entity that is receiving an economic
10 development benefit and the amount of the economic development
11 benefit.

12 (d) The number of jobs created by each entity that is
13 receiving an economic development benefit.

14 (e) Whether or not the entity that is receiving the economic
15 development benefit is in full compliance with the statute
16 authorizing the specific economic development benefit.