

SUBSTITUTE FOR
SENATE BILL NO. 293

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending section 15 (MCL 125.2695) and by adding sections 8g and
8h.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 8G. BEGINNING JULY 1, 2009, WHEN DESIGNATING A
2 RENAISSANCE ZONE UNDER SECTION 8A(2), 8C, 8E, OR 8F, IF ALL OTHER
3 CONSIDERATIONS ARE EQUAL, THE BOARD OR THE MICHIGAN STRATEGIC FUND,
4 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 OR INDIVIDUALS WHO PLAN
8 ON BECOMING RESIDENTS OF THIS STATE TO CONSTRUCT, RENOVATE,
9 REHABILITATE, OR IMPROVE A FACILITY IN THE RENAISSANCE ZONE, UNLESS

1 THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS APPLICABLE, DETERMINES
2 THAT THE FACILITY CANNOT BE CONSTRUCTED, RENOVATED, REHABILITATED,
3 OR IMPROVED BY USING ONLY RESIDENTS OF THIS STATE OR INDIVIDUALS
4 WHO PLAN ON BECOMING RESIDENTS OF THIS STATE FOR 1 OR MORE OF THE
5 FOLLOWING:

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

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

11 (iii) HOWEVER, FOR FACILITIES LOCATED IN A COUNTY THAT BORDERS
12 ON ANOTHER STATE, IF THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS
13 APPLICABLE, DETERMINES THAT THE USE OF NONRESIDENTS FOR THE
14 CONSTRUCTION, REHABILITATION, DEVELOPMENT, OR RENOVATION WILL NOT
15 HAVE A SIGNIFICANT ADVERSE EFFECT ON THE EMPLOYMENT OF RESIDENTS IN
16 THIS STATE.

17 (B) CONTRACT WITH BUSINESSES THAT AGREE TO HIRE ONLY RESIDENTS
18 OF THIS STATE OR INDIVIDUALS WHO PLAN ON BECOMING RESIDENTS OF THIS
19 STATE TO CONSTRUCT, RENOVATE, REHABILITATE, OR IMPROVE A FACILITY
20 IN THE RENAISSANCE ZONE, UNLESS THE BOARD OR THE MICHIGAN STRATEGIC
21 FUND, AS APPLICABLE, DETERMINES THAT THE FACILITY CANNOT BE
22 CONSTRUCTED, RENOVATED, REHABILITATED, OR IMPROVED BY USING ONLY
23 RESIDENTS OF THIS STATE OR INDIVIDUALS WHO PLAN ON BECOMING
24 RESIDENTS OF THIS STATE FOR 1 OR MORE OF THE FOLLOWING:

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

27 (ii) TO THE EXTENT THAT KEY MANAGEMENT PERSONNEL OR INDIVIDUALS

1 WITH SPECIAL SKILLS, WHO ARE NOT RESIDENTS OF THIS STATE, ARE
2 NEEDED.

3 (iii) HOWEVER, FOR FACILITIES LOCATED IN A COUNTY THAT BORDERS
4 ON ANOTHER STATE, IF THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS
5 APPLICABLE, DETERMINES THAT THE USE OF NONRESIDENTS FOR THE
6 CONSTRUCTION, REHABILITATION, DEVELOPMENT, OR RENOVATION WILL NOT
7 HAVE A SIGNIFICANT ADVERSE EFFECT ON THE EMPLOYMENT OF RESIDENTS IN
8 THIS STATE.

9 SEC. 8H. (1) BEGINNING JULY 1, 2009, IF THE BOARD OR THE
10 MICHIGAN STRATEGIC FUND, AS APPLICABLE, DESIGNATES A RENAISSANCE
11 ZONE UNDER SECTION 8A(2), 8C, 8E, OR 8F, A TAXPAYER THAT IS A
12 BUSINESS IS NOT ABLE TO CLAIM THE EXEMPTION, DEDUCTION, OR CREDIT
13 UNDER THIS ACT UNLESS THAT TAXPAYER ENTERS INTO A WRITTEN AGREEMENT
14 WITH THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS APPLICABLE, THAT
15 PROVIDES THAT, FOR ANY WORK IN THE RENAISSANCE ZONE, THE TAXPAYER
16 WILL NOT KNOWINGLY HIRE OR CONTRACT WITH ANY BUSINESS ENTITY THAT
17 KNOWINGLY HIRES AN INDIVIDUAL WHO IS NOT AUTHORIZED UNDER FEDERAL
18 LAW TO WORK IN THE UNITED STATES.

19 (2) THE WRITTEN AGREEMENT WITH THE TAXPAYER DESCRIBED IN THIS
20 SECTION AND SECTION 8G SHALL ALSO CONTAIN A REMEDY PROVISION THAT
21 PROVIDES FOR ALL OF, BUT NOT LIMITED TO, THE FOLLOWING:

22 (A) A REQUIREMENT THAT THE TAXPAYER IS NOT ELIGIBLE TO CLAIM
23 ANY FUTURE EXEMPTIONS, DEDUCTIONS, OR CREDITS UNDER THIS ACT IF THE
24 TAXPAYER IS DETERMINED TO BE IN VIOLATION OF THE PROVISIONS OF THIS
25 SECTION OR SECTION 8G, IF APPLICABLE, AS DETERMINED BY THE BOARD OR
26 THE MICHIGAN STRATEGIC FUND, AS APPLICABLE.

27 (B) A REQUIREMENT THAT THE TAXPAYER MAY BE REQUIRED TO REPAY

1 SOME OR ALL OF THE EXEMPTIONS, DEDUCTIONS, OR CREDITS RECEIVED
2 UNDER THIS ACT IF THE TAXPAYER IS DETERMINED TO BE IN VIOLATION OF
3 THE PROVISIONS OF THIS SECTION OR SECTION 8G, IF APPLICABLE, AS
4 DETERMINED BY THE BOARD OR THE MICHIGAN STRATEGIC FUND, AS
5 APPLICABLE.

6 Sec. 15. The ~~department of Michigan jobs commission~~ **STRATEGIC**
7 **FUND** shall annually report to the legislature on the economic
8 effects of this act in each renaissance zone. The report shall
9 include, but is not limited to, all of the following for each
10 renaissance zone:

11 (a) Number of new jobs created.

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

14 (c) Average wage of new jobs created.

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

16 (E) THE NUMBER OF MICHIGAN RESIDENTS EMPLOYED IN JOBS RELATED
17 TO THE CONSTRUCTION, RENOVATION, REHABILITATION, OR IMPROVEMENT OR
18 A FACILITY IN THE IMMEDIATELY PRECEDING YEAR.

19 (F) THE TOTAL NUMBER OF JOBS RELATED TO THE CONSTRUCTION,
20 RENOVATION, REHABILITATION, OR IMPROVEMENT OF A FACILITY CREATED IN
21 THE IMMEDIATELY PRECEDING YEAR.

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

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 95th Legislature are

1 enacted into law:

2 (a) Senate Bill No. 502.

3

4 (b) Senate Bill No. 539.

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