

SENATE BILL No. 14

January 18, 2017, Introduced by Senators BRANDENBURG, O'BRIEN, PROOS, COLBECK, KNOLLENBERG, JONES, BOOHER, HORN, SCHUITMAKER, HANSEN, KOWALL, GREGORY, JOHNSON and WARREN and referred to the Committee on Michigan Competitiveness.

A bill to establish and implement a work opportunity employer reimbursement program; and to prescribe the powers and duties of certain state agencies and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "work
2 opportunity act".

3 Sec. 3. As used in this act:

4 (a) "Department" means the department of talent and economic
5 development.

6 (b) "Employer" means an employer as defined in section 3401(d)
7 of the internal revenue code of 1986, 26 USC 3401. Any person
8 required to withhold for federal income tax purposes shall prima
9 facie be deemed an employer.

10 (c) "Full-time job" means a service performed by an individual

1 for 35 hours or more each week and whose income and social security
2 taxes are withheld from the wages earned by that individual for
3 performing the service.

4 (d) "Fund" means the work opportunity employer reimbursement
5 fund created in section 7.

6 (e) "Grant program" means the work opportunity employer
7 reimbursement program established in section 5.

8 (f) "Person" means an individual, partnership, corporation,
9 association, governmental entity, or other legal entity.

10 (g) "Qualified employee" means an individual who is currently
11 on probation or parole.

12 (h) "Qualified first-year wages" means the wages paid or
13 incurred by the employer attributable to services rendered by a
14 qualified employee during the 1-year period beginning with the day
15 the qualified employee begins work for the employer.

16 (i) "Qualified new job" means a full-time job created by the
17 employer or another full-time job previously held by another
18 employee who separated from employment voluntarily or for cause.

19 Sec. 5. (1) The department shall establish and implement a
20 work opportunity employer reimbursement program that uses money
21 from the fund to provide grants to employers for the hiring of
22 qualified employees.

23 (2) The grant program shall require that an employer applying
24 to receive a grant shall employ at least 1 qualified employee in a
25 qualified new job for a minimum of 120 hours.

26 (3) An employer that wishes to apply for a grant shall submit
27 an application to the department containing the information

1 required by the department, including all of the following:

2 (a) The employer's federal employer identification number or
3 the department of treasury number assigned to the employer.

4 (b) The qualified employee's department of corrections number,
5 if applicable, and the status of his or her parole or probation.

6 (c) The amount of qualified first-year wages.

7 (4) If the department approves a grant, the department shall
8 notify the employer. Upon confirmation that the employer has hired
9 a qualified employee who worked at least 120 hours in a qualified
10 new job, the department shall, subject to the limitation under
11 subsection (5), approve and disburse the grant funds to the
12 employer as follows:

13 (a) For a qualified employee who worked at least 120 hours but
14 not more than 400 hours, an amount equal to 25% of the qualified
15 first-year wages or \$1,500.00, whichever is less.

16 (b) For a qualified employee who worked more than 400 hours,
17 an amount equal to 40% of the qualified first-year wages or
18 \$2,400.00, whichever is less.

19 (5) The department shall not approve a grant of more than
20 \$7,200.00 per employer per fiscal year.

21 Sec. 7. (1) The work opportunity employer reimbursement fund
22 is created within the state treasury.

23 (2) The state treasurer may receive money or other assets from
24 any source for deposit into the fund. The state treasurer shall
25 direct the investment of the fund. The state treasurer shall credit
26 to the fund interest and earnings from fund investments.

27 (3) Money in the fund at the close of the fiscal year shall

1 remain in the fund and shall not lapse to the general fund.

2 (4) The Michigan talent investment agency in the department
3 shall be the administrator of the fund for auditing purposes.

4 (5) The Michigan talent investment agency shall expend money
5 from the fund, upon appropriation, only for 1 or more of the
6 following purposes:

7 (a) Grants issued pursuant to the grant program.

8 (b) Not more than 10% of the money appropriated from the fund
9 for the employment of not more than 1 FTE to administer the grant
10 program.

11 Sec. 9. The department shall prepare an annual report that
12 describes the money received by the fund, the balance of the fund,
13 the total expenditures from the fund, and the number of grants
14 issued with money from the fund for that year. The department shall
15 provide this report to the standing committees of each house of the
16 legislature with jurisdiction over corrections issues.