

**SUBSTITUTE FOR
HOUSE BILL NO. 5413**

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 9 (MCL 125.2009), as amended by 2024 PA 117,
and by adding chapter 8F.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) The fund shall transmit to each member of the
2 legislature, the governor, the clerk of the house of
3 representatives, the secretary of the senate, and the senate and
4 house fiscal agencies annually a report of its activities. The
5 report must be transmitted not later than April 10 of each year for
6 activities in the immediately preceding state fiscal year. The
7 report must not include information exempt from disclosure under
8 section 5. The report must include, but is not limited to, all of



1 the following for each program operated under this act:

2 (a) A list of entities that received financial assistance.

3 (b) The type of project or product being financed.

4 (c) The amount and type of financial assistance.

5 (d) For each separate form of financial assistance, all of the
6 following:

7 (i) The number of new jobs committed or projected when the
8 financial assistance was applied for.

9 (ii) The number of retained jobs committed or projected when
10 the financial assistance was applied for.

11 (iii) The actual number of new jobs created that are not
12 temporary employees.

13 (iv) The actual number of retained jobs that are not temporary
14 employees.

15 (v) The average annual salary of the new jobs created that are
16 not temporary employees.

17 (vi) The average annual salary of the retained jobs that are
18 not temporary employees.

19 (e) The duration of the financial assistance.

20 (f) The amount of financial support other than state
21 resources.

22 (g) Money or other revenue or property returned to the fund,
23 including any repayments through a clawback provision in the
24 agreement.

25 (h) The status of all loans of the fund.

26 (i) A list of all entities that are in bankruptcy, of which
27 the fund has received actual notice, filed by a direct recipient of
28 an active single incentive of not less than \$500,000.00. In
29 addition, the fund shall, within 120 days after the fund receives



1 notice, provide a report of the notice of bankruptcy on its website
2 and forward the report to each of the following:

3 (i) The senate majority leader and the senate minority leader.

4 (ii) The speaker of the house and the house minority leader.

5 (iii) The members of the house ~~commerce and tourism~~ **economic**
6 **development and small business** committee.

7 (iv) The members of the house appropriations subcommittee on
8 general government.

9 (v) The members of the senate economic and ~~small business~~
10 **community** development committee.

11 (vi) The members of the senate appropriations subcommittee on
12 general government.

13 (j) A summary of the approximate administrative costs used to
14 administer the programs and activities authorized under this act.

15 (k) Any other information as required by this section.

16 (2) The auditor general or a certified public accountant
17 appointed by the auditor general annually shall conduct and remit
18 to the legislature an audit of the fund and, in the conduct of the
19 audit, shall have access to all records of the fund at any time,
20 whether or not confidential. Each audit required by this section
21 must include a determination of whether the fund is likely to be
22 able to continue to meet its obligations, including a report on the
23 status of outstanding loans and agreements made by the fund.

24 (3) The fund shall also transmit the audit described in
25 subsection (2) to the chairperson and minority vice-chairperson of
26 the senate appropriations subcommittee on general government and
27 the house of representatives appropriations subcommittee on general
28 government. The fund shall make the report and audit available to
29 the public on the fund's website.



1 (4) The report described in subsection (1) must also contain
2 all of the following that are related to a 21st century investment
3 made by the fund board under chapter 8A:

4 (a) The amount of qualified venture capital fund investments,
5 qualified mezzanine fund investments, and qualified private equity
6 fund investments under management in this state, including year-to-
7 year growth.

8 (b) The value of loan enhancement program investments,
9 qualified private equity fund investments, qualified mezzanine fund
10 investments, and qualified venture capital investments in qualified
11 businesses, including year-to-year growth.

12 (c) A statement of the amount of money in each loan reserve
13 fund established under the small business capital access program
14 required under chapter 8A.

15 (5) The report described in subsection (1) must also include,
16 but is not limited to, all of the following for all actions under
17 section 88r:

18 (a) The total actual amount of qualified investment attracted
19 under section 88r as reported to the fund.

20 (b) The total actual number of new jobs created under section
21 88r as reported to the fund.

22 (c) The actual amount of the grant, loan, or other economic
23 assistance made under section 88r separately for each qualified
24 business verified by the fund.

25 (d) For each qualified business, whether it is a new business,
26 whether it is an expansion of an existing business, or whether it
27 relocated from outside of this state.

28 (e) An evaluation of the aggregate return on investment that
29 this state realizes on the actual qualified new jobs and actual



1 qualified investment made by qualified businesses.

2 (6) The report described in subsection (1) must also include,
3 but is not limited to, all of the following for all actions under
4 chapter 8B:

5 (a) For tourism promotion efforts, all of the following:

6 (i) An itemized list, by market, of how much was spent, types
7 of media purchased, and target of the tourism promotion campaign.

8 (ii) The return on investment analysis that utilizes existing
9 baseline data and compares results with prior outcome evaluations
10 funded by Travel Michigan.

11 (b) For business development efforts, all of the following:

12 (i) An itemized list, by market, of how much was spent, types
13 of media purchased, and target of the business promotion campaign.

14 (ii) A performance analysis that compares the program or
15 campaign objectives and outcome of the campaign or program.

16 (7) The report described in subsection (1) must also include,
17 but is not limited to, all of the following for all actions under
18 section 90d:

19 (a) The total actual amount of private investment attracted
20 under section 90d as reported to the fund.

21 (b) The actual amount of the community revitalization
22 incentives made under chapter 8C separately for each project.

23 (c) The total actual amount of square footage revitalized or
24 added for each project approved under section 90d as reported to
25 the fund. When reporting square footage, the person must report the
26 square footage by category, including, but not limited to,
27 commercial, residential, or retail.

28 (d) The aggregate increase in taxable value of all property
29 subject to a written agreement under chapter 8C when established



1 and recorded by the local units of government and as reported to
2 the fund.

3 (e) The total actual number of residential units revitalized
4 or added for each project approved under section 90d as reported to
5 the fund.

6 (f) Each project that received a community revitalization
7 incentive outside the fund program standards and guidelines and why
8 the variance was given.

9 (8) Beginning on and after January 1, 2012, on a monthly basis
10 the fund shall provide exact copies of all information regarding
11 all actions under chapter 8C that is provided to board members of
12 the fund for the purpose of monthly board meetings, subject to
13 confidentiality under section 5, to each of the following and post
14 that information on the fund's website:

15 (a) The chairperson and minority vice-chairperson of the house
16 ~~commerce and tourism~~ **economic development and small business**
17 committee.

18 (b) The chairperson and minority vice-chairperson of the house
19 appropriations subcommittee on general government.

20 (c) The chairperson and minority vice-chairperson of the
21 senate economic and ~~small business~~ **community** development committee.

22 (d) The chairperson and minority vice-chairperson of the
23 senate appropriations subcommittee on general government.

24 (9) The report described in subsection (1) must also include a
25 summary of the approximate administrative costs used to administer
26 the programs and activities authorized in the following sections:

27 (a) Section 88b.

28 (b) Section 88h.

29 (c) Section 90b.



1 (10) The report described in subsection (1) must also include,
2 but is not limited to, all of the following for all actions for
3 business incubators approved by the fund after January 14, 2015:

4 (a) The number of new jobs created and projected new job
5 growth by current clients of the business incubator.

6 (b) Amounts of other funds leveraged by current clients of the
7 business incubator.

8 (c) Increases in revenue for current clients of the business
9 incubator.

10 (11) The report described in subsection (1) must also include
11 the actual repayments received by the fund for failure to comply
12 with clawback provisions of the written agreement under all of the
13 following:

14 (a) Section 78.

15 (b) Section 88d.

16 (c) Section 88k.

17 (d) Section 88q.

18 (e) Section 88r.

19 (f) Section 90b.

20 (12) Beginning on July 1, 2015, the fund shall post on the
21 fund's website a list of each contract, agreement, or other written
22 loan or grant documentation for financial assistance under sections
23 88r and 90b that the fund entered into or modified in the
24 immediately preceding fiscal year.

25 (13) Beginning on July 1, 2015, the fund shall post and update
26 periodically all of the following on its website for all loans made
27 under sections 88r and 90b:

28 (a) A description of the project for which the loan was made.

29 (b) The total amount of the loan.



1 (c) Whether payments on the loan balance are current or
2 delinquent.

3 (d) The interest rate of the loan.

4 (14) Beginning July 1, 2015, the report described in
5 subsection (1) must also contain all of the following for each
6 program that provides financial assistance under this act that
7 requires a site visit:

8 (a) A copy of the site visit guidelines for that program.

9 (b) The number of site visits conducted under that program.

10 (c) The chief compliance officer shall review and evaluate
11 compliance with the site visit guidelines.

12 (15) The fund shall post on its website and update
13 periodically all of the information described in subsection (14).

14 (16) The report described in subsection (1) must also include,
15 but is not limited to, all of the following for all written
16 agreements related to the good jobs for Michigan program created
17 under chapter 8D **or the high-wage incentive for regional employment**
18 **in (H.I.R.E.) Michigan program created under chapter 8F:**

19 (a) The name of the authorized business.

20 (b) The number of certified new jobs required to be
21 maintained.

22 (c) The amount and duration of the withholding tax capture
23 revenues.

24 (17) The report described in subsection (1) must also include
25 the activities of the critical industry program described in
26 section 88s.

27 (18) The report described in subsection (1) must also include
28 the activities of the Michigan strategic site readiness program
29 described in section 88t.



1 (19) The fund shall cooperate with the department of treasury
2 and assist in preparing the report required under section 718 of
3 the income tax act of 1967, 1967 PA 281, MCL 206.718.

4 (20) As used in this section, "financial assistance" means
5 grants, loans, other economic assistance, and any other incentives
6 or assistance under this act.

7 **CHAPTER 8F**

8 **Sec. 90t. As used in this chapter:**

9 (a) "Authorized business" means an eligible business that has
10 met the requirements of this chapter and with which the fund has
11 entered into a written agreement for withholding tax capture
12 revenues under this chapter and section 51f of the income tax act
13 of 1967, 1967 PA 281, MCL 206.51f.

14 (b) "Casino" means a casino regulated by this state under the
15 Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to
16 432.226, a casino at which gaming is conducted under the Indian
17 gaming regulatory act, Public Law 100-497, or property associated
18 or affiliated with the operation of either type of casino described
19 in this subdivision, including, but not limited to, a parking lot,
20 hotel, or motel.

21 (c) "Certified new job" means a permanent, full-time job
22 created by an authorized business at a facility in this state that
23 is in excess of the number of permanent, full-time jobs that
24 authorized business maintained in this state before the expansion
25 or location and the number of permanent, full-time jobs that the
26 authorized business acquired through a merger or acquisition that
27 were located in this state before the expansion or location, as
28 determined by the fund.

29 (d) "Eligible business" means a business other than a retail



1 establishment, professional sports stadium, casino, or that portion
 2 of an eligible business used exclusively for retail sales that
 3 proposes to create 1 or more of the following as determined by the
 4 fund:

5 (i) A minimum of 250 certified new jobs in this state with an
 6 annual wage that is equal to 150% or more of the prosperity region
 7 median wage.

8 (ii) A minimum of 25 certified new jobs in this state with an
 9 annual wage that is equal to 175% or more of the prosperity region
 10 median wage.

11 (iii) A minimum of 25 certified new jobs in this state with an
 12 annual wage that is equal to 135% or more of the prosperity region
 13 median wage and located in a county with a population of 50,000 or
 14 less according to the most recent federal decennial census.

15 (e) "Facility" means a site or sites within this state in
 16 which an authorized business creates certified new jobs.

17 (f) "Full-time job" means a full-time job as determined by the
 18 fund performed by an individual whose income and Social Security
 19 taxes are withheld by 1 or more of the following:

20 (i) An authorized business.

21 (ii) An employee leasing company.

22 (iii) A professional employer organization on behalf of the
 23 authorized business.

24 (g) "H.I.R.E. Michigan fund" means the high-wage incentive for
 25 regional employment in (H.I.R.E.) Michigan fund created in section
 26 90w.

27 (h) "Municipality" means that term as defined in section 4.

28 (i) "Prosperity region" means each of the 10 prosperity
 29 regions identified by the department of technology, management, and



1 budget on August 25, 2017.

2 (j) "Prosperity region median wage" means the median annual
3 wage for the prosperity region where the facility is located based
4 on the most recent data made available by the Michigan bureau of
5 labor market information and strategic initiatives.

6 (k) "Withholding tax capture revenues" means the amount of
7 income tax withheld under chapter 17 of the income tax act of 1967,
8 1967 PA 281, MCL 206.701 to 206.718, each calendar year that is
9 attributable to individuals employed within certified new jobs. The
10 state treasurer shall develop methods and processes that are
11 necessary for each authorized business to report the amount of
12 withholding under chapter 17 of the income tax act of 1967, 1967 PA
13 281, MCL 206.701 to 206.718, from individuals employed within
14 certified new jobs.

15 (l) "Written agreement" means a written agreement made between
16 the eligible business and the fund under this chapter.

17 Sec. 90u. (1) The fund shall create the high-wage incentive
18 for regional employment in (H.I.R.E.) Michigan program to authorize
19 the transfer of the dedicated portion of withholding tax capture
20 revenues to authorized businesses that provide certified new jobs
21 in this state. The program shall be operated and administered by
22 the authorized employees, officers, and agents of the fund, which
23 may include employees of the Michigan economic development
24 corporation. The fund or its designees shall develop program
25 guidelines and use a detailed application, approval, and compliance
26 process that is published and available on the fund's website.

27 (2) An eligible business may apply to the fund to enter into a
28 written agreement that authorizes the payment of withholding tax
29 capture revenues under this chapter.



1 (3) The fund may request information, in addition to that
2 contained in an application, if needed to permit the fund to
3 discharge its responsibilities under this chapter.

4 (4) After receipt of an application, the fund may enter into
5 an agreement with an eligible business for withholding tax capture
6 revenues under this chapter if the fund determines that all of the
7 following are met:

8 (a) The eligible business proposes to create and maintain the
9 minimum number of certified new jobs at a facility in this state
10 and to pay an annual wage that is described in section 90t(d).

11 (b) In addition to the jobs specified in subdivision (a), the
12 eligible business, if already located within this state, agrees to
13 maintain a number of full-time jobs equal to or greater than the
14 number of full-time jobs it maintained in this state before the
15 expansion, as determined by the fund.

16 (c) The plans for the expansion or location are economically
17 sound.

18 (d) The expansion or location of the eligible business will
19 benefit the people of this state by increasing opportunities for
20 employment and by strengthening the economy of this state.

21 (e) The withholding tax capture revenues offered under this
22 chapter and paid from the H.I.R.E. Michigan fund are an incentive
23 to expand or locate the eligible business in this state and address
24 a need for additional assistance for deal closing and second stage
25 company gap financing.

26 (f) An industry-recognized regional economic model cost-
27 benefit analysis reveals that the payment of withholding tax
28 capture revenues under this chapter to an eligible business will
29 result in an overall positive fiscal impact to this state.



1 (g) The eligible business will create the requisite number of
 2 certified new jobs not later than 5 years after entering into the
 3 written agreement as determined by the fund.

4 (h) The eligible business will maintain the number of
 5 certified new jobs throughout the duration of the period of time
 6 that the authorized business receives withholding tax capture
 7 revenues paid from the H.I.R.E. Michigan fund. However, if the
 8 authorized business fails to maintain the requisite number of
 9 certified new jobs as provided in the written agreement, the
 10 authorized business will forfeit the withholding tax capture
 11 revenues for that calendar year.

12 (i) The local governing body of the municipality in which the
 13 facility is located approves the expansion or new location by
 14 resolution.

15 (j) The eligible business provides detailed hiring and
 16 training plans, including any registered apprenticeships or
 17 certifications provided, and agrees to coordinate with local
 18 workforce development agencies, including local Michigan Works!
 19 agencies, to attract and train, if needed, a qualified workforce.
 20 As used in this subdivision, "local Michigan Works! agency" means a
 21 Michigan works agency as that term is defined in section 3 of the
 22 Michigan works one-stop service center system act, 2006 PA 491, MCL
 23 408.113.

24 (k) The fund is not prohibited from entering into a written
 25 agreement with the applicant under this subdivision. All of the
 26 following apply for purposes of the determination under this
 27 subdivision:

28 (i) Each applicant shall submit with the application a
 29 certified schedule listing all violations within the 3-year period



1 immediately preceding the date of application. The schedule must
2 include any information required by the fund to comply with this
3 subdivision. For any violation that is not a resolved violation,
4 the schedule must include an action plan on resolving the
5 violation.

6 (ii) If the schedule or other information available to the fund
7 indicates that an applicant has a violation that is not a resolved
8 violation, the fund shall not enter into a written agreement with
9 the applicant unless the applicant submits evidence, to the
10 satisfaction of the fund, that there is a sufficient action plan to
11 resolve the violation or the violation is in the process of being
12 resolved.

13 (iii) The fund shall not enter into a written agreement with the
14 applicant if the schedule or other information available to the
15 fund indicates that either of the following applies:

16 (A) In the 3-year period immediately preceding the date of
17 application, the applicant has been issued 5 or more notices of
18 violation of environmental regulations, or has an administrative
19 consent order or a consent judgment involving environmental
20 regulations that includes stipulated penalties, unless the
21 department of environment, Great Lakes, and energy finds the
22 applicant has made improvements in operations to come into
23 compliance with this state's environmental regulations, or other
24 demonstrated ability to comply with this state's environmental
25 regulations.

26 (B) In the 3-year period immediately preceding the date of
27 application, the applicant was subject to any of the following:

28 (I) A criminal penalty under section 35(4) or 35a(4) of the
29 Michigan occupational safety and health act, 1974 PA 154, MCL



1 408.1035 and 408.1035a, for a willful or repeated violation of the
2 Michigan occupational safety and health act, 1974 PA 154, MCL
3 408.1001 to 408.1094, an order issued under that act, or a rule or
4 standard promulgated under that act.

5 (II) A criminal conviction under section 35(5) or 35a(5) of
6 the Michigan occupational safety and health act, 1974 PA 154, MCL
7 408.1035 and 408.1035a, for a willful violation of the Michigan
8 occupational safety and health act, 1974 PA 154, MCL 408.1001 to
9 408.1094, an order issued under that act, or a rule or standard
10 promulgated under that act that causes the death of an employee.

11 (III) Inclusion in the Michigan occupational safety and health
12 administration's severe violator enforcement program.

13 (iv) As used in this subdivision:

14 (A) "Resolved violation" means a violation where the terms of
15 a settlement, consent agreement, conviction, decision, or other
16 final determination has been fully satisfied.

17 (B) "Violation" means a formal enforcement action issued by
18 this state, a political subdivision of this state, or the federal
19 government in response to a violation of environmental,
20 occupational safety, or public health regulations that has occurred
21 in this state, including, but not limited to, a violation notice,
22 enforcement notice, order to correct, licensing violation notice,
23 and stop work order.

24 (5) If the fund determines that the eligible business
25 satisfies all of the requirements of subsection (4), subject to
26 subsection (6), the fund shall determine the amount and duration of
27 the withholding tax capture revenues to be authorized under this
28 chapter and shall enter into a written agreement as provided in
29 this section. The duration of the withholding tax capture revenues



1 must not exceed 10 years, as determined by the fund under
2 subsection (6), from the date the authorized business creates the
3 certified new jobs as provided in the written agreement. Subject to
4 subsection (6), in determining the maximum amount and maximum
5 duration of the withholding tax capture revenues authorized, the
6 fund shall consider the following factors, if applicable:

7 (a) The number of certified new jobs to be created.

8 (b) The degree to which the median annual wage of the
9 certified new jobs exceeds the prosperity region median wage.

10 (c) Whether there is a disadvantage to the eligible business
11 if it were to expand or locate in this state versus a site outside
12 this state.

13 (d) The potential impact of the expansion or location on the
14 economy of this state.

15 (e) The estimated cost of the reimbursement of withholding tax
16 capture revenues under this chapter, the staff, financial, or
17 economic assistance provided by the municipality, or local economic
18 development corporation or similar entity, and the value of
19 assistance otherwise provided by this state.

20 (f) Whether the expansion or location will occur in this state
21 without the payment of withholding tax capture revenues offered
22 under this chapter.

23 (g) Whether the eligible business has made a written
24 commitment to fund some portion of costs for applicable training of
25 the individuals who will perform the full-time jobs that leads to a
26 professional or technical certification for these individuals.

27 (h) Whether the expansion or location of the eligible business
28 will support or enable progress toward the following goals:

29 (i) Community enhancement or engagement opportunities.



1 (ii) Investing in this state's labor and workforce.

2 (iii) Enacting a workforce plan that includes recruitment,
3 hiring, training strategies, and advancement strategies for
4 employees.

5 (6) The fund shall determine the duration and amount of the
6 withholding tax capture revenues. In determining the duration of
7 the withholding tax capture revenues, the fund shall provide a
8 duration of up to 10 years, as determined by the fund. In
9 determining the amount of the withholding tax capture revenue
10 payments, the fund may approve a payment of up to 100% of the
11 withholding tax capture revenues.

12 (7) A written agreement between an eligible business and the
13 fund must include, but is not limited to, all of the following:

14 (a) A description of the business expansion or location that
15 is the subject of the written agreement.

16 (b) Subject to subsections (10) and (11), conditions on which
17 the authorized business designation is made.

18 (c) A statement from the eligible business that the eligible
19 business would not have added certified new jobs without the
20 withholding tax capture revenue payments authorized under this
21 chapter.

22 (d) An estimate of the amount of withholding tax capture
23 revenues expected to be generated for each calendar year of the
24 duration of the written agreement.

25 (e) A statement by the eligible business that a violation of
26 the written agreement may result in the revocation of the
27 designation as an authorized business, the loss or reduction of
28 future withholding tax capture revenue payments under this chapter,
29 or a repayment of withholding tax capture revenues received under



1 this chapter.

2 (f) A statement by the eligible business that a
3 misrepresentation in the application may result in the revocation
4 of the designation as an authorized business and the repayment of
5 withholding tax capture revenues received under this chapter plus a
6 penalty equal to 10% of the withholding tax capture revenue
7 payments received under this chapter.

8 (g) A method for measuring and verifying permanent, full-time
9 jobs before and after an expansion or location of an authorized
10 business in this state.

11 (h) A provision that the authorized business that is certified
12 under section 90v(2) for a payment from the H.I.R.E. Michigan fund
13 shall file the required returns and reports under this chapter and
14 chapter 17 of the income tax act of 1967, 1967 PA 281, MCL 206.701
15 to 206.718, with the department of treasury, and shall provide any
16 other information reasonably requested by the fund or the
17 department of treasury.

18 (i) A maximum amount of withholding tax capture revenues that
19 the authorized business may claim.

20 (j) A statement from the eligible business that it will not be
21 in material violation of any laws, ordinances, regulations, rules,
22 orders, judgments, decrees, or other requirements imposed by any
23 governmental authority to which it is subject.

24 (k) A provision that to maintain its designation as an
25 eligible business and its eligibility to receive withholding tax
26 capture revenue payments, the eligible business must not commit a
27 violation described in subsection (4)(k) and must annually certify
28 to the fund in the form and manner prescribed by the fund that the
29 eligible business has complied with this requirement.



1 (8) On execution of a written agreement as provided in this
2 chapter, an eligible business is an authorized business. The fund
3 shall provide a copy of each written agreement to the department of
4 treasury. On execution of the written agreement, the transfer and
5 payment of withholding tax capture revenues as specified in this
6 chapter and in the written agreement is binding on this state. The
7 state treasurer shall calculate, based on the written agreements
8 received under this subsection, the amount of withholding tax
9 capture revenues collected as a result of the certified new jobs
10 created pursuant to those written agreements for each calendar year
11 and the percentage of that amount that needs to be transferred from
12 the general fund and deposited, in accordance with section 51f of
13 the income tax act of 1967, 1967 PA 281, MCL 206.51f, into the
14 H.I.R.E. Michigan fund, from which the fund shall issue payments to
15 the authorized business in the manner provided in section 90v.

16 (9) Except as otherwise provided in this subsection, the fund
17 shall not commit an annual amount of total withholding tax capture
18 revenues that exceeds \$125,000,000.00. If the amount committed in a
19 calendar year is less than \$125,000,000.00, the difference between
20 that amount and \$125,000,000.00 is available to be committed in
21 subsequent calendar years and is in addition to the annual limit
22 otherwise applicable. The fund must allocate the annual amount
23 committed among multiple eligible businesses and must not commit
24 the entire amount to a single eligible business. For purposes of
25 this subsection, "total withholding tax capture revenues" means the
26 aggregate amount of withholding tax capture revenues that may be
27 distributed to authorized businesses under all written agreements.

28 (10) Except as otherwise provided in subsection (11), an
29 authorized business must meet 1 of the following timelines, as



1 applicable, or both the authorized business and the fund are
2 released from the written agreement:

3 (a) For an authorized business whose location or expansion in
4 this state requires construction, the following timeline:

5 (i) The authorized business must begin construction not later
6 than 3 years after the written agreement is executed.

7 (ii) The authorized business must complete its first hire of an
8 individual to fill a certified new job not later than 2 years after
9 the start of construction.

10 (iii) The authorized business must create the certified new jobs
11 as provided in the written agreement and begin receiving
12 withholding tax capture revenues not later than 3 years after its
13 first hire as described in subparagraph (ii).

14 (b) For an authorized business whose location or expansion in
15 this state does not require construction, the following timeline:

16 (i) The authorized business must complete its first hire of an
17 individual to fill a certified new job not later than 3 years after
18 the written agreement is executed.

19 (ii) The authorized business must create the certified new jobs
20 as provided in the written agreement and begin receiving
21 withholding tax capture revenues not later than 3 years after its
22 first hire as described in subparagraph (i).

23 (11) The fund shall notify an authorized business of an
24 applicable deadline under subsection (10) not less than 90 days
25 before the deadline. The fund may extend an applicable deadline
26 under subsection (10) for 1 year if the fund determines that the
27 authorized business has proceeded in good faith with the location
28 or expansion in this state and there is good cause for the
29 authorized business's delay in meeting the deadline. The fund may



1 request, and the authorized business shall provide, any information
2 the fund considers necessary to make the determination under this
3 subsection.

4 (12) The fund shall not designate an authorized business or
5 enter into a new written agreement on or after the date that is 8
6 years after the effective date of the amendatory act that added
7 this section.

8 Enacting section 1. This amendatory act does not take effect
9 unless Senate Bill No. 580 of the 102nd Legislature is enacted into
10 law.

