

Senate Watch

A summary of today's Senate actions;
published daily when the Senate is in session.



9/10/09

THIRD READING

[SB 774](#)

(Cassis)

Senate Bill 774 (S-1) would amend the Michigan Business Tax Act to establish a limit, based on forecasted State revenue growth, on the total amount of MBT credits certified by MEGA that could be claimed annually.

- **SB 774 was passed [RC 445: 35 yes, 1 excused, 1 not voting]**

GENERAL ORDERS – (TO PASSAGE)

[SB 773](#)

(Cassis)

Senate Bill 773 (S-4) would amend the Michigan Economic Growth Authority (MEGA) Act to revise the annual limits on new agreements for Michigan Business Tax (MBT) credits under the MEGA Act. The Act prohibits MEGA from executing new written agreements each year that provide for more than 400 yearly credits over the terms of those agreements entered into that year for eligible business that are not qualified high-technology businesses, distressed businesses, rural businesses, or other specified businesses. Under the bill, that limit would apply through December 31, 2008. For 2009, MEGA could not execute new written agreements that provided for more than 400 yearly credits over the terms of the agreements entered into that year, plus up to 85 additional yearly credits previously issued by the Authority. For 2010 and subsequent calendar years, MEGA could not execute new written agreements that provided for more than 300 yearly credits over the terms of the agreements entered into that year, plus up to 85 additional yearly credits previously issued by the Authority.

The bill also would do the following:

-- Require MEGA to determine that an eligible business, if locating in Michigan, would not compete with established Michigan businesses, and that a qualified high-technology business agreed that at least 15%, rather than 25%, of its total operating expenses would be for research and development for the first three years.

- Prohibit MEGA from advocating one Michigan location over another.
- Prescribe a financial penalty for a business's misrepresentation in its application to MEGA for an MBT credit.
- Prohibit MEGA from entering into an agreement for MBT credits under the limit for high-technology or rural businesses if the business had claimed a film tax credit.
- Revise and expand the requirements for MEGA's annual report to the Legislature.
- Require the Auditor General to audit and comment on the annual report before MEGA submitted it.

- Committee substitute S-4 not adopted
- Cassis substitute S-5 not adopted
- Cassis substitute S-6 adopted
 - Cropsey-3A adopted
- SB 773 advanced to 3rd Reading
- Jacobs-1 not adopted [RC 446: 16 yes, 20 no, 1 excused]
- Whitmer-2 not adopted [RC 447: 16 yes, 20 no, 1 excused]
- Cherry-3 not adopted [RC 448: 16 yes, 20 no, 1 excused]
- Gleason-4 not adopted [RC 449: 17 yes, 19 no, 1 excused]
- SB 773 was passed [RC 450: 23 yes, 13 no, 1 excused]

SB 777

(Stamas)

MBT credit for the operation of a new facility for development and manufacturing of photovoltaic energy, for the Wixom Xtreme Power project.

- Committee substitute S-1 adopted
- SB 777 advanced to 3rd Reading
- SB 777 was passed [RC 451: 33 yes, 2 no, 1 excused]

HB 4523

(Clemente)

The bill would amend the Michigan Business Tax (MBT) Act to revise, and delay the sunset for granting, an MBT credit to a qualified taxpayer for the construction and operation of a new facility for the development and manufacture of photovoltaic energy (solar energy), photovoltaic systems, or other photovoltaic technology; allow the Michigan Economic Growth Authority (MEGA) to enter into one agreement with an "eligible taxpayer" for such a credit; and increase the total of all such credits from \$25.0 million to \$75.0 million.

- Committee substitute S-2 adopted
- Kahn-1A adopted
- HB 4523 advanced to 3rd Reading
- HB 4523 was passed [RC 452: 33 yes, 2 no, 1 excused]
- IE was ordered

GENERAL ORDERS

SB 2

(Sanborn)

The bills (SB 2 and SB 340) would create an Office of Business Ombudsman as an autonomous entity within the Strategic Fund, empowered to investigate and review the actions of Michigan regulatory agencies. Senate Bill 2 (S-2) would require the Business Ombudsman to be appointed with the advice and consent of the Senate, and allow the Governor to remove the Ombudsman for cause. It would provide that the individual serving in the capacity of Business Ombudsman on the bill's effective date would have to continue serving in that capacity, subject to the advice and consent of the Senate, and it would require the Office to receive, investigate, and resolve complaints and disputes from businesses against departments and agencies of the State; and specify additional powers and duties of the Office and the Ombudsman.

- Committee substitute S-2 adopted
- SB 2 advanced to 3rd Reading

SB 340

(Birkholz)

Senate Bill 340 (S-2) would require all departments, agencies, boards, committees, commissions, or officers of the State or any political subdivision of the State to give any assistance requested by the Office of Business Ombudsman in the performance of its duties, and allow the Office to bring an action in circuit court to enforce the proposed chapter. Furthermore it would require the Ombudsman, after an investigation, to present any conclusions and recommendations to the department or agency involved; and require the department or agency, at the Ombudsman's request, to inform the Ombudsman about the actions taken on the recommendations or the reasons for not complying with them. Finally, the bill would also permit the Ombudsman to submit his or her conclusions or recommendations to the Legislature, the Governor, a grand jury, the public, or any other appropriate authority and require that information obtained by the Office from businesses to be held in confidence, to the extent authorized under the Freedom of Information Act.

- Committee substitute S-2 adopted
- Birkholz 1A withdraw, reconsidered, and adopted
- SB 340 advanced to 3rd Reading

RESOLUTIONS

SR 77

(Brown)

A resolution to memorialize the Congress of the United States to oppose the implementation of a cap and trade program that would negatively impact Michigan residents through the elimination of jobs and by increasing the costs of goods and services.

- SR 77 was adopted [RC 444: 22 yes, 14 no, 1 excused]