MEMORANDUM

DATE: March 29, 2017

TO: The Honorable Jim Stamas, Chair
    Senate Appropriations Subcommittee on General Government

       The Honorable Rob VerHeulen, Chair
       House Appropriations Subcommittee on General Government

FROM: Jeremy Hendges, Chief Deputy Director
       Department of Talent and Economic Development

SUBJECT: 2016 Department of Talent and Economic Development Specific Policy Change Report

Section 221 of Article VIII of Public Act 268 of 2016, the General Omnibus Budget, requires a report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year.

This report covers all agencies affiliated with the Department of Talent and Economic Development. There are no policy changes to report for the Michigan State Housing Development Authority or the Michigan Land Bank Fast Track Authority.

If you have any questions, please contact me at 517.373.3963.

Attachment

cc: Members, Senate Appropriations Subcommittee on General Government
    Members, House Appropriations Subcommittee on General Government
    Members, Joint Committee on Administrative Rules
    Ellen Jeffries, Director, Senate Fiscal Agency
    Mary Ann Cleary, Director, House Fiscal Agency
Department of Talent and Economic Development  
Specific Policy Change Report  
Calendar Year 2016

Michigan Economic Development Corporation (MEDC)/Michigan Strategic Fund (MSF)

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>PA Number</th>
<th>Effective Date</th>
<th>Subject</th>
<th>Policy Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>HB 4226</td>
<td>125</td>
<td>7/15/2015</td>
<td>SmartZones: economic development corporations; certified technology park distinct geographic areas; increase.</td>
<td>At the time of the last report, policy changes were in the process of being developed. Established SmartZone evaluation and tax Increment finance policy for evaluation of new satellite designation requests. Developed SmartZone eligible cost guidance for tax increment finance purposes.</td>
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<tr>
<td>HB 5439</td>
<td>118</td>
<td>5/17/2016</td>
<td>Michigan Renaissance Zone Act- allowing a business in a MSF designated Renaissance Zone to make a payment in lieu of taxes to any taxing jurisdiction within the qualified local governmental unit in which the zone is located.</td>
<td>Guidelines for MSF Designated Renaissance Zones were amended to include guidance on authorizing a payment in lieu of taxes. Any payment made in lieu of taxes abated as a result of the MSF Renaissance Zone must be proportionate between the county; city, village or township; and state in which the Renaissance Zone is located unless otherwise approved by each governmental unit and the MSF Board.</td>
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Talent Investment Agency (TIA)

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<thead>
<tr>
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<tr>
<td>SB 603</td>
<td>228</td>
<td>10/1/2016</td>
<td>UI Lien Filings - Amended Section 15 of the MES Act and granted UI the ability to recover employer unemployment compensation debt via deduction from a federal tax refund.</td>
<td>The threshold outstanding debt amount at which UI will place a lien on an employer’s real property is $5,000. With regard to the federal tax intercept for employer debt, in general, intercepts will be applied to sole proprietorships and LLCs.</td>
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