

# Legislative Analysis

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## LARGE PROJECT MEGA CREDIT

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**House Bill 6748**

**Sponsor: Rep. Andy Meisner**

**Committee: Commerce**

**Complete to 12-1-08**

## A SUMMARY OF HOUSE BILL 6748 AS INTRODUCED 11-25-08

The bill would amend a provision in the Michigan Business Tax Act that allows the Michigan Economic Growth Authority (MEGA) to award tax credits each year to 20 projects each costing over \$10 million. A maximum of three of these projects can be outside of a core community if certain criteria are met. The bill would expand the criteria that apply to these three credits so that a tax credit could be awarded to property that is functionally obsolete or blighted property identified in a brownfield plan and located in a city with a population of 70,000 or more and within ten miles of another city in the state with a population of 500,000 or more.

The bill also would specify that for these credits, MEGA is to give preference to mixed use projects that satisfy each of the following criteria: (1) the amount of new construction investment is \$50 million or more; (2) the project includes at least one aboveground, multilevel parking facility or underground parking facility; (3) the project includes at least one two-story or greater structure other than a parking facility; (4) the project is regionally transformational; (5) the state and region will benefit from the project; (6) the project addresses a major redevelopment need in the community; and (7) the project's requirements require a strong subsidy.

MCL 208.1437

## FISCAL IMPACT:

The bill would reduce Michigan Business Tax revenue by an indeterminate amount.

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