

December 4, 2025

Dear Senate Regulatory Affairs Committee:

On behalf of the Detroit Regional Chamber, I extend support for Senate Bills 472 and 473. This legislation creates a vital economic development tool designed to ensure Michigan remains competitive in an increasingly aggressive global market. The national trend toward onshoring domestic manufacturing presents a generational opportunity, but Michigan must be equipped with the tools to capture this investment.

The Chamber applauds the inclusion of provisions in SB 473 that specifically address "protected jobs," recognizing the value of retaining existing corporate citizens. It is a long-standing economic reality that approximately 80% of new job growth is generated by companies that already exist within a state's borders. This package demonstrates the equal and crucial importance of retaining *and* attracting high-value jobs in Michigan.

While the Chamber endorses the More Jobs for Michigan framework, it believes specific refinements would maximize the program's effectiveness and accessibility:

- **Include Total Compensation:** Update the definition of "wage" to "total compensation" to reach the wage thresholds. High-quality employers offer comprehensive benefits packages that significantly enhance the standard of living for employees. To accurately reflect the value of these jobs, the wage threshold should include the value of employer-provided health care plans, child care reimbursements, and 40(k) or pension contributions.
- **Add Accommodations for Collective Bargaining Agreements:** Many of Michigan's premier skilled-trades jobs are governed by collective bargaining agreements that utilize a tiered wage progression. Often, it takes up to four years for a worker to reach full wage potential. Allow these jobs to qualify for the program if they are contractually guaranteed to meet the required wage thresholds following their probationary or step-increase period.
- **Simplify Wage Levels:** Complexity acts as a deterrent to utilization. Streamline the wage level requirements to ensure the program is accessible and understandable for businesses of all sizes, reducing administrative burdens that could discourage participation.
- **Establish Prescriptive Administration and Contract Sanctity:** While the Michigan Economic Development Corporation is designated to administer the program, the legislation must ensure a prescriptive set of rules regarding qualification criteria. To maintain Michigan's reputation as a reliable business partner, the statute must guarantee that incentives cannot be altered retroactively once a written agreement is executed. Certainty is the bedrock of investment; changing terms mid-contract undermines confidence in the state.
- **Create a Hybrid Economic Strategy:** This targeted incentive package should be viewed as a complement to, not a substitute for, broader tax relief. A comprehensive strategy that combines the broad-based tax cut concepts currently debated in the House with the targeted, high-impact tools provided in this Senate package will support better results. This "and" approach ensures a competitive baseline environment while providing the leverage needed to close transformational deals.

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The Detroit Regional Chamber is eager to partner with you to refine SB 472 and 473. These adjustments can ensure More Jobs for Michigan effectively retains talent, supports the domestic supply chain, and secures Michigan's economic future. I appreciate your consideration.

Sincerely,

Brian J. Shoaf
Vice President, Public Policy and Business Advocacy