

**SUBSTITUTE FOR
SENATE BILL NO. 1130**

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 8c and 8e (MCL 125.2688c and 125.2688e),
section 8c as amended by 2006 PA 284 and section 8e as amended by
2008 PA 329.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8c. (1) The board, upon recommendation of the board of
2 the Michigan strategic fund defined in section 4 of the Michigan
3 strategic fund act, 1984 PA 270, MCL 125.2004, and upon
4 recommendation of the commission of agriculture, may designate not
5 more than 30 additional renaissance zones for agricultural
6 processing facilities within this state in 1 or more cities,
7 villages, or townships if that city, village, or township or
8 combination of cities, villages, or townships consents to the

1 creation of a renaissance zone for an agricultural processing
2 facility within their boundaries.

3 (2) Each renaissance zone designated for an agricultural
4 processing facility under this section shall be 1 continuous
5 distinct geographic area.

6 (3) The board may revoke the designation of all or a portion
7 of a renaissance zone for an agricultural processing facility if
8 the board determines that the agricultural processing facility does
9 1 or more of the following in a renaissance zone designated under
10 this section:

11 (a) Fails to commence operation.

12 (b) Ceases operation.

13 (c) Fails to commence construction or renovation within 1 year
14 from the date the renaissance zone for the agricultural processing
15 facility is designated.

16 **(4) A FACILITY PREVIOUSLY APPROVED AS A RENAISSANCE ZONE FOR A**
17 **RENEWABLE ENERGY FACILITY ON OR BEFORE DECEMBER 31, 2009 SHALL**
18 **BECOME RENEWED AS A RENAISSANCE ZONE DESIGNATED FOR AN AGRICULTURAL**
19 **PROCESSING FACILITY AS OF THE DATE THE RENEWABLE ENERGY RENAISSANCE**
20 **ZONE WAS REVOKED AND FOR THE REMAINING TERM OF THE ORIGINAL**
21 **RENEWABLE ENERGY RENAISSANCE ZONE AS DESIGNATED BY THE BOARD,**
22 **SUBJECT TO ELIGIBILITY UNDER THIS ACT AND COMPLIANCE WITH A**
23 **DEVELOPMENT AGREEMENT, IF ALL OF THE FOLLOWING APPLY:**

24 **(A) THE FACILITY UTILIZED THE SAME WASTEWATER DISCHARGE**
25 **RENEWABLE FEEDSTOCK TO PRODUCE AN APPROVED AGRICULTURAL PRODUCT**
26 **CONTINUOUSLY FROM THE TIME THE RENEWABLE ENERGY RENAISSANCE ZONE**
27 **DESIGNATION WAS REVOKED TO THE APPLICATION FOR RENEWAL AS AN**

1 AGRICULTURAL PROCESSING FACILITY.

2 (B) THE FACILITY MAINTAINED AT LEAST 10 JOBS CONTINUOUSLY FROM
3 THE TIME THE RENEWABLE ENERGY RENAISSANCE ZONE DESIGNATION WAS
4 REVOKED TO THE APPLICATION FOR RENEWAL AS AN AGRICULTURAL
5 PROCESSING FACILITY.

6 (C) THE FACILITY CERTIFIES THAT IT ACTED IN GOOD FAITH WHEN
7 CHANGING ITS PRODUCT AND WAS AT ALL TIMES ELIGIBLE FOR RENAISSANCE
8 ZONE DESIGNATION UNDER SECTION 8E BEFORE IT WAS REVOKED.

9 (D) THE FACILITY ENTERS INTO A DEVELOPMENT AGREEMENT WITH THE
10 MICHIGAN STRATEGIC FUND.

11 (E) THE DEVELOPMENT AGREEMENT PROVIDES THAT THE FACILITY SHALL
12 NOT ATTEMPT TO RECOVER TAXES OR FEES COLLECTED BY THE TAXING
13 JURISDICTION OF THAT FACILITY DURING THE TIME THE RENAISSANCE ZONE
14 DESIGNATION WAS REVOKED.

15 (5) ~~(4) Beginning on the date of the amendatory act that added~~
16 ~~this subsection,~~ JULY 10, 2006, the board shall consider all of the
17 following when designating a renaissance zone for an agricultural
18 processing facility:

19 (a) The economic impact on local suppliers who supply raw
20 materials, goods, and services to the agricultural processing
21 facility.

22 (b) The creation of jobs relative to the employment base of
23 the community rather than the static number of jobs created.

24 (c) The viability of the project.

25 (d) The economic impact on the community in which the
26 agricultural processing facility is located.

27 (e) All other things being equal, giving preference to a

1 business entity already located in this state.

2 ~~(6) (5) Beginning on the date of the amendatory act that added~~
3 ~~this subsection,~~ **JULY 10, 2006**, the board shall do all of the
4 following:

5 (a) Require a development agreement between the Michigan
6 strategic fund and the agricultural processing facility.

7 (b) Designate not less than 3 of the renaissance zones for
8 agricultural processing facilities that have an initial capital
9 investment of less than \$7,000,000.00.

10 (c) Designate not less than 5 of the renaissance zones for
11 agricultural processing facilities in rural areas.

12 ~~(7) (6)~~ As used in this section, "development agreement" means
13 a written agreement between the Michigan strategic fund and the
14 agricultural processing facility that includes, but is not limited
15 to, all of the following:

16 (a) A requirement that the agricultural processing facility
17 comply with all state and local laws.

18 (b) A requirement that the agricultural processing facility
19 report annually to the Michigan strategic fund on all of the
20 following:

21 (i) The amount of capital investment made at the facility.

22 (ii) The number of individuals employed at the facility at the
23 beginning and end of the reporting period as well as the number of
24 individuals transferred to the facility from another facility owned
25 by the agricultural processing facility.

26 (iii) The percentage of raw materials purchased in this state.

27 (c) Any other conditions or requirements reasonably required

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by the Michigan strategic fund.

(8) THE RENEWAL OF A RENAISSANCE ZONE FOR AN AGRICULTURAL FACILITY UNDER SUBSECTION (4) SHALL NOT BE CONSIDERED A DESIGNATION UNDER SUBSECTION (1).

<<(9) UPON AGREEMENT BETWEEN THE BOARD AND THE CITY, VILLAGE, OR TOWNSHIP IN WHICH THE FACILITY DESCRIBED IN SUBSECTION (4) IS LOCATED, THE TERM OF THE RENAISSANCE ZONE STATUS FOR THAT AGRICULTURAL PROCESSING FACILITY MAY BE EXTENDED FOR AN ADDITIONAL 2 YEARS AS PROVIDED IN THE AGREEMENT.>>

Sec. 8e. (1) The board, upon recommendation of the board of the Michigan strategic fund defined in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, and upon recommendation of the commission of agriculture if the renewable energy facility uses agricultural crops or residues, or processed products from agricultural crops as its primary raw material source, may designate not more than 15 additional renaissance zones for renewable energy facilities within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a renaissance zone for a renewable energy facility within their boundaries. Not fewer than 5 of the renaissance zones for renewable energy facilities shall be designated for renewable energy facilities that focus primarily on the production of cellulosic biofuels.

(2) Each renaissance zone designated for a renewable energy facility under this section shall be 1 continuous distinct geographic area.

(3) The board may revoke the designation of all or a portion of a renaissance zone for a renewable energy facility if the board determines that the renewable energy facility does 1 or more of the following in a renaissance zone designated under this section:

(a) Fails to commence operation.

1 (b) Ceases operation.

2 (c) Fails to commence construction or renovation within 1 year
3 from the date the renaissance zone for the renewable energy
4 facility is designated.

5 (4) When designating a renaissance zone for a renewable energy
6 facility, the board shall consider all of the following:

7 (a) The economic impact on local suppliers who supply raw
8 materials, goods, and services to the renewable energy facility.

9 (b) The creation of jobs relative to the employment base of
10 the community rather than the static number of jobs created.

11 (c) The viability of the project.

12 (d) The economic impact on the community in which the
13 renewable energy facility is located.

14 (e) All other things being equal, giving preference to a
15 business entity already located in this state.

16 (f) Whether the renewable energy facility can be located in an
17 existing renaissance zone designated under section 8 or 8a.

18 (5) Beginning on July 7, 2006, the board shall require a
19 development agreement between the Michigan strategic fund and the
20 renewable energy facility.

21 (6) Until the maximum number of additional renaissance zones
22 for renewable energy facilities described in subsection (1) is met,
23 if the board designates a renaissance zone under this section; ~~7~~
24 section 8c, **EXCEPT FOR A RENAISSANCE ZONE DESIGNATED FOR AN**
25 **AGRICULTURAL PROCESSING FACILITY UNDER SECTION 8C(4);** or section 8f
26 for a facility that is a forest products processing facility or an
27 agricultural processing facility and that also meets the definition

1 of a renewable energy facility, then the board shall only designate
2 that renaissance zone as a renaissance zone for a renewable energy
3 facility under this section.

4 (7) As used in this section, "development agreement" means a
5 written agreement between the Michigan strategic fund and the
6 renewable energy facility that includes, but is not limited to, all
7 of the following:

8 (a) A requirement that the renewable energy facility comply
9 with all state and local laws.

10 (b) A requirement that the renewable energy facility report
11 annually to the Michigan strategic fund on all of the following:

12 (i) The amount of capital investment made at the facility.

13 (ii) The number of individuals employed at the facility at the
14 beginning and end of the reporting period as well as the number of
15 individuals transferred to the facility from another facility owned
16 by the renewable energy facility.

17 (iii) The percentage of raw materials purchased in this state.

18 (c) Any other conditions or requirements reasonably required
19 by the Michigan strategic fund.