



SENATE BILL No. 668

September 20, 1995, Introduced by Senators POSTHUMUS, GOUGEON, BENNETT, STEIL, KOIVISTO, ROGERS, GEAKE, EMMONS, SCHWARZ, HONIGMAN, SHUGARS, SCHUETTE, STILLE, HOFFMAN, CARL and MC MANUS and referred to the Committee on Local, Urban and State Affairs.

A bill to create certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan renaissance zone act".

3 Sec. 2. The legislature of this state finds and declares
4 that there exists in this state continuing need for programs to

1 assist certain local governmental units in encouraging economic
2 development, the consequent job creation and retention, and
3 ancillary economic growth in this state. To achieve these pur-
4 poses, it is necessary to assist and encourage the creation of
5 renaissance zones and provide temporary relief from certain taxes
6 within the renaissance zones.

7 Sec. 3. As used in this act:

8 (a) "Board" means the state administrative board created in
9 Act No. 2 of the Public Acts of 1921, being sections 17.1 to 17.3
10 of the Michigan Compiled Laws.

11 (b) "Development plan" means a written plan that addresses
12 the criteria in section 7 and includes all of the following:

13 (i) A map of the proposed renaissance zone that indicates
14 the geographic boundaries, the total area, and the present use
15 and conditions of the land and structures within those
16 boundaries.

17 (ii) Evidence of community support and commitment from resi-
18 dential and commercial interests.

19 (iii) A description of the methods proposed to increase eco-
20 nomic opportunity and expansion, facilitate infrastructure
21 improvement, and provide job training.

22 (iv) Current social, economic, and demographic characteris-
23 tics of the proposed renaissance zone and anticipated improve-
24 ments in education, health, human services, public safety, and
25 employment if the renaissance zone is created.

26 (v) Any other information required by the board.

1 (c) "Elective county executive" means the elected county
2 executive in a county organized under Act No. 293 of the Public
3 Acts of 1966, being sections 45.501 to 45.521 of the Michigan
4 Compiled Laws, or Act No. 139 of the Public Acts of 1973, being
5 sections 45.551 to 45.573 of the Michigan Compiled Laws.

6 (d) "Local governmental unit" means a county, city, village,
7 or township.

8 (e) "Person" means an individual, partnership, corporation,
9 association, limited liability company, governmental entity, or
10 other legal entity.

11 (f) "Qualified local governmental unit" means either of the
12 following:

13 (i) A county.

14 (ii) A city with a population over 175,000.

15 (g) "Renaissance zone" means a geographic area so designated
16 by the board under this act.

17 (h) "Review board" means the renaissance zone review board
18 created in section 5.

19 (i) "Rural area" means an area that lies outside of the
20 boundaries of an urban area.

21 (j) "Urban area" means an urbanized area as determined by
22 the economics and statistics administration, United States bureau
23 of the census according to the 1990 census.

24 Sec. 4. (1) A qualified local governmental unit or 2 adja-
25 cent qualified local governmental units may apply to the review
26 board to designate a single geographic area within the qualified

1 local governmental unit or units as a renaissance zone if all of
2 the following criteria are met:

3 (a) The geographic area of the proposed renaissance zone is
4 located within the boundaries of the qualified local governmental
5 unit or units that apply.

6 (b) The application includes a development plan.

7 (c) The proposed renaissance zone is not more than 5,000
8 acres in size.

9 (d) The application includes the proposed duration of
10 renaissance zone status, not to exceed 15 years.

11 (e) If the qualified local governmental unit has an elected
12 county executive, the county executive's written approval of the
13 application.

14 (f) If the qualified local governmental unit is a city, that
15 city's mayor's written approval of the application.

16 (2) A qualified local governmental unit shall not be a part
17 of more than 1 renaissance zone.

18 Sec. 5. (1) The renaissance zone review board is created.
19 The review board shall consist of all of the following:

20 (a) The director of the department of management and budget,
21 or his or her designee.

22 (b) The chief executive officer of the Michigan jobs commis-
23 sion, or his or her designee.

24 (c) The state treasurer, or his or her designee.

25 (2) The review board shall review all applications submitted
26 by qualified local governmental units and make recommendations to

1 the board for approval based on the criteria contained in section
2 7.

3 (3) The review board and the board shall not consider an
4 application in any of the following circumstances:

5 (a) If the application was submitted before 60 days after
6 the effective date of this act.

7 (b) If the application was submitted after October 31,
8 1996.

9 (4) The board shall not designate a renaissance zone after
10 December 31, 1996.

11 (5) The designation of a renaissance zone under this act
12 shall take effect on January 1, 1997.

13 (6) Members of the review board shall serve without compen-
14 sation for their membership on the review board, but members of
15 the review board may receive reasonable reimbursement for neces-
16 sary travel and expenses.

17 Sec. 6. (1) The board shall review all recommendations sub-
18 mitted by the review board and determine which applications meet
19 the criteria contained in section 7.

20 (2) The board shall do all of the following:

21 (a) Designate renaissance zones.

22 (b) Subject to subsection (3), approve or reject the dura-
23 tion of renaissance zone status as submitted in the application,
24 not to exceed 15 years.

25 (c) Subject to subsection (3), approve or reject the geo-
26 graphic boundaries and the total area of the renaissance zone as
27 submitted in the application.

1 (3) The board shall not alter the geographic boundaries of
2 the renaissance zone or the duration of renaissance zone status
3 described in the application unless the qualified local govern-
4 mental unit or units and the local governmental unit or units in
5 which the renaissance zone is to be located consent to the
6 alteration.

7 Sec. 7. (1) The board shall consider the following criteria
8 in designating a renaissance zone:

9 (a) Evidence of adverse economic and socioeconomic condi-
10 tions within the proposed renaissance zone.

11 (b) The viability of the development plan.

12 (c) Whether the development plan is creative and innovative
13 in comparison to other applications.

14 (d) Public and private commitment to and other resources
15 available for the proposed renaissance zone.

16 (e) How renaissance zone designation would relate to a
17 broader plan for the community as a whole.

18 (f) Demonstrated cooperation from surrounding communities.

19 (g) Any other information required by the board.

20 (2) The board shall not designate an area as a renaissance
21 zone unless, as a part of the application, the qualified local
22 governmental unit or units provide a resolution from the govern-
23 ing body of the qualified local governmental unit and each city,
24 village, or township, within which the proposed renaissance zone
25 is to be located, that states both of the following:

1 (a) If the renaissance zone designation is granted, persons
2 within the renaissance zone are exempt from taxes levied by that
3 governmental entity as provided by this act.

4 (b) The proposed renaissance zone is not more than 5,000
5 acres in size.

6 Sec. 8. The board shall not designate more than 8 renaiss-
7 sance zones within this state. Not more than 5 of the renaiss-
8 sance zones shall be located in urban areas and not more than 3
9 of the renaissance zones shall be located in rural areas. For
10 purposes of determining whether a renaissance zone is located in
11 an urban area or rural area under this section, if any part of a
12 renaissance zone is located within an urban area, the entire
13 renaissance zone shall be considered to be located in an urban
14 area.

15 Sec. 9. (1) An individual who is a resident of a renaiss-
16 sance zone or a business that is located and operates within a
17 renaissance zone shall receive the exemption or credit as pro-
18 vided in the following for the period provided under section
19 6(2)(b):

20 (a) Section 39b of the single business tax act, Act No. 228
21 of the Public Acts of 1975, being section 208.39b of the Michigan
22 Compiled Laws.

23 (b) Section 51a of the income tax act of 1967, Act No. 281
24 of the Public Acts of 1967, being section 206.51a of the Michigan
25 Compiled Laws.

1 (c) Section 11c of chapter 2 of the city income tax act, Act
2 No. 284 of the Public Acts of 1964, being section 141.611c of the
3 Michigan Compiled Laws.

4 (d) Section 11 of Act No. 198 of the Public Acts of 1974,
5 being section 207.561 of the Michigan Compiled Laws.

6 (e) Section 12 of the commercial redevelopment act, Act
7 No. 255 of the Public Acts of 1978, being section 207.662 of the
8 Michigan Compiled Laws.

9 (f) Section 21c of the enterprise zone act, Act No. 224 of
10 the Public Acts of 1985, being section 125.2121c of the Michigan
11 Compiled Laws.

12 (g) Section 1 of Act No. 189 of the Public Acts of 1953,
13 being section 211.181 of the Michigan Compiled Laws.

14 (h) Section 12 of the technology park development act, Act
15 No. 385 of the Public Acts of 1984, being section 207.712 of the
16 Michigan Compiled Laws.

17 (i) Section 51105 of part 511 (commercial forests) of the
18 natural resources and environmental protection act, Act No. 451
19 of the Public Acts of 1994, being section 324.51105 of the
20 Michigan Compiled Laws.

21 (j) Section 9 of the neighborhood enterprise zone act, Act
22 No. 147 of the Public Acts of 1992, being section 207.779 of the
23 Michigan Compiled Laws.

24 (k) Section 5 of the city utility users tax act, Act No. 100
25 of the Public Acts of 1990, being section 141.1155 of the
26 Michigan Compiled Laws.

1 (2) Property located in a renaissance zone is exempt from
2 the collection of taxes under section 7ff of the general property
3 tax act, Act No. 206 of the Public Acts of 1893, being section
4 211.7ff of the Michigan Compiled Laws, beginning with taxes
5 levied after 1996, for the period provided under section
6 6(2)(b).

7 (3) During the last 3 years that the taxpayer is eligible
8 for an exemption or credit described in subsections (1) and (2),
9 the exemption or credit shall be reduced by the following
10 percentages:

11 (a) For the tax year that is 2 years before the final year
12 of designation as a renaissance zone, the percentage shall be
13 25%.

14 (b) For the tax year immediately preceding the final year of
15 designation as a renaissance zone, the percentage shall be 50%.

16 (c) For the tax year that is the final year of designation
17 as a renaissance zone, the percentage shall be 75%.

18 (4) Except as otherwise provided pursuant to subsections (1)
19 and (2), the exemption or credit provided for in this act shall
20 take effect for tax years beginning after December 31, 1996.

21 Sec. 10. The form of the application for a renaissance zone
22 designation shall be as specified by the Michigan jobs
23 commission. The board may request any information from an appli-
24 cant, in addition to that contained in an application, as may be
25 needed to permit the board to discharge its responsibilities
26 under this act.

1 Sec. 11. (1) This state shall reimburse local and
2 intermediate school districts each year for all tax revenue lost
3 as the result of the exemption of property under this act from
4 taxes levied under section 625a or 1211 of the school code of
5 1976, Act No. 451 of the Public Acts of 1976, being
6 sections 380.625a and 380.1211 of the Michigan Compiled Laws;
7 from taxes levied for area vocational-technical program operating
8 purposes under section 681 of Act No. 451 of the Public Acts of
9 1976, being section 380.681 of the Michigan Compiled Laws; or
10 from taxes levied for special education operating purposes under
11 section 1724a of Act No. 451 of the Public Acts of 1976, being
12 section 380.1724a of the Michigan Compiled Laws.

13 (2) Local and intermediate school districts eligible for
14 reimbursement under subsection (1) shall report annually to the
15 department of treasury all revenue lost for which reimbursement
16 under subsection (1) is claimed.

17 Sec. 12. (1) The board and the review board shall conduct
18 all business at public meetings held in compliance with the open
19 meetings act, Act No. 267 of the Public Acts of 1976, being sec-
20 tions 15.261 to 15.275 of the Michigan Compiled Laws. Public
21 notice of the time, date, and place of each meeting shall be
22 given in the manner required by Act No. 267 of the Public Acts of
23 1976.

24 (2) A record or a portion of a record, material, or other
25 data received, prepared, used, or retained by the board or review
26 board is subject to the freedom of information act, Act No. 442

1 of the Public Acts of 1976, being sections 15.231 to 15.246 of
2 the Michigan Compiled Laws.

3 Sec. 13. This act shall be construed liberally to effectuate
4 the legislative intent and the purposes of this act and as
5 complete and independent authority for the performance of each
6 and every act and thing authorized by this act, and all powers
7 granted by this act shall be broadly interpreted to effectuate
8 the intent and purposes of this act and not as a limitation of
9 powers.