

Act No. 139
Public Acts of 1999
Approved by the Governor
October 11, 1999
Filed with the Secretary of State
October 11, 1999
EFFECTIVE DATE: October 11, 1999

**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999**

Introduced by Senators Schuette, Rogers, Goschka, Steil, Hoffman, Johnson, Hammerstrom, Dunaskiss, Sikkema, Bennett, Gougeon, Stille, Gast, Schwarz, Shugars, McManus, North, Koivisto, McCotter, Emerson, Miller and V. Smith

ENROLLED SENATE BILL No. 625

AN ACT to amend 1996 PA 376, entitled "An act to create and expand 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 require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials," by amending sections 4, 6, 8, and 10 (MCL 125.2684, 125.2686, 125.2688, and 125.2690), section 10 as amended by 1999 PA 36.

The People of the State of Michigan enact:

Sec. 4. (1) One or more qualified local governmental units may apply to the review board to designate the qualified local governmental unit or units as a renaissance zone if all of the following criteria are met:

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

(b) The application includes a development plan.

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

(d) The renaissance zone does not contain more than 10 distinct geographic areas. Except as otherwise provided in this subdivision, the minimum size of a distinct geographic area is not less than 5 acres. A qualified local governmental unit or units may designate not more than 4 distinct geographic areas in each renaissance zone to have no minimum size requirement.

(e) The application includes the proposed duration of renaissance zone status, not to exceed 15 years, except as otherwise provided in this section.

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

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

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

(3) A qualified local governmental unit may submit not more than 1 application to the review board for designation as a renaissance zone. A resolution provided by a city, village, or township under section 7(2) does not constitute an application of a city, village, or township for a renaissance zone under this act.

(4) For a distinct geographic area described in subsection (1)(d), a village may include publicly owned land within the boundaries of any distinct geographic area.

(5) Through December 31, 2002, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 may designate additional distinct geographic areas not to exceed a total of 10 distinct geographic areas upon application to and approval by the board. The additional distinct geographic areas shall have the duration of renaissance zone status as determined by the qualified local governmental unit not to exceed 15 years except as provided in subsection (6).

(6) If a qualified local governmental unit or units designate additional distinct geographic areas in a renaissance zone under subsection (5), the qualified local governmental unit or units may extend the duration of the renaissance zone status of 1 or more distinct geographic areas in that renaissance zone until 2017.

(7) Through December 31, 2002, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 may, upon application to and approval by the board, seek to extend the duration of renaissance zone status until 2017. Upon application, the board shall extend the duration of renaissance zone status as specified in the application from the qualified local governmental unit.

Sec. 6. (1) The board shall review all recommendations submitted by the review board and determine which applications meet the criteria contained in section 7.

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

(a) Designate renaissance zones.

(b) Subject to subsection (3), approve or reject the duration of renaissance zone status as submitted in the application, not to exceed 15 years except as provided in section 4(6).

(c) Subject to subsection (3), approve or reject the geographic boundaries and the total area of the renaissance zone as submitted in the application.

(3) The board shall not alter the geographic boundaries of the renaissance zone or the duration of renaissance zone status described in the application unless the qualified local governmental unit or units and the local governmental unit or units in which the renaissance zone is to be located consent by resolution to the alteration.

(4) The board shall not designate a renaissance zone under section 8 before November 1, 1996 or after December 31, 1996.

(5) The designation of a renaissance zone under this act shall take effect on January 1 in the year following designation. However, for purposes of the taxes exempted under section 9(2), the designation of a renaissance zone under this act shall take effect on December 31 in the year of designation.

(6) The board shall not designate a renaissance zone under section 8a after December 31, 2002.

(7) Through December 31, 2002, a qualified local governmental unit in which a renaissance zone was designated under section 8 may modify the boundaries of that renaissance zone to include contiguous parcels of property as determined by the qualified local governmental unit and approval by the review board. The additional contiguous parcels of property included in a renaissance zone under this subsection do not constitute an additional distinct geographic area under section 4(1)(d). If the boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcels of property shall become part of the original renaissance zone on the same terms and conditions as the original designation of that renaissance zone.

Sec. 8. (1) Except as provided in subsection (2) and section 8a, the board shall not designate more than 9 renaissance zones within this state. Not more than 6 of the renaissance zones shall be located in urban areas and not more than 4 of the renaissance zones shall be located in rural areas. For purposes of determining whether a renaissance zone is located in an urban area or rural area under this section, if any part of a renaissance zone is located within an urban area, the entire renaissance zone shall be considered to be located in an urban area.

(2) The board may designate additional renaissance zones within this state in 1 or more qualified local governmental units if that qualified local governmental unit or units contain a military installation that was operated by the United States department of defense and has closed after 1990.

(3) Each renaissance zone designated by the board under section 8a shall be submitted to the legislature, which, by concurrent resolution adopted by a majority vote of those elected to and serving in each house, on a record roll call vote, may reject that designation no later than the earlier of 45 days following the date of the designation by the board or December 31 of the year of designation.

Sec. 10. (1) An individual who is a resident of a renaissance zone or a business that is located and conducts business activity within a renaissance zone or a person that owns property located in a renaissance zone is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2) for that taxable year if 1 or more of the following apply:

(a) The resident, business, or property owner is delinquent on December 31 of the prior tax year under 1 or more of the following:

- (i) The single business tax act, 1975 PA 228, MCL 208.1 to 208.145.
- (ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.
- (iii) 1974 PA 198, MCL 207.551 to 207.572.
- (iv) The commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668.
- (v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.
- (vi) 1953 PA 189, MCL 211.181 to 211.182.
- (vii) The technology park development act, 1984 PA 385, MCL 207.701 to 207.718.
- (viii) Part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120.
- (ix) The neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.787.
- (x) The city utility users tax act, 1990 PA 100, MCL 141.1151 to 141.1177.

(b) The resident, business, or property owner is substantially delinquent as defined in a written policy by the qualified local governmental unit in which the renaissance zone is located on December 31 of the prior tax year under 1 or both of the following:

- (i) The city income tax act, 1964 PA 284, MCL 141.501 to 141.787.
- (ii) Taxes, fees, and special assessments collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(c) For residential rental property in a renaissance zone, the residential rental property is not in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, or codes and the residential rental property owner has not filed an affidavit before December 31 in the immediately preceding tax year with the local tax collecting unit in which the residential rental property is located as required under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff.

(2) A business located in a qualified local governmental unit that relocates from outside a renaissance zone into a renaissance zone in that same qualified local governmental unit shall not receive the exemptions, deductions, or credits described in section 9 unless the governing body of the qualified local governmental unit in which the renaissance zone is located approves the relocation of the business.

(3) Unless approval of the relocation is obtained under subsection (2), if a business relocates more than 25 full-time equivalent jobs to a renaissance zone, the business shall notify the Michigan strategic fund in the department of management and budget and the local governmental unit from which the jobs are being relocated of the relocation. The business is not eligible for the exemptions, deductions, or credits listed in section 9(1) and (2) if the local governmental unit from which the jobs are being relocated adopts a resolution objecting to the relocation of the jobs within 60 days after the notification by the business. The business becomes eligible for the exemptions, deductions, and credits listed in section 9(1) and (2) when the local governmental unit that objected to the relocation rescinds its objection by resolution. A local governmental unit that objects to the relocation of jobs shall file a copy of all resolutions of objection and rescission with the department of treasury, Michigan strategic fund in the department of management and budget, county or local governmental unit that created the renaissance zone into which the jobs are transferred, and the local governmental unit into which the jobs are transferred. As used in this subsection only, "local governmental unit" means a city, village, or township.

(4) An individual who is a resident of a renaissance zone is eligible for an exemption, deduction, or credit under section 9(1) and (2) until the department of treasury determines that the aggregate state and local tax revenue forgone as a result of all exemptions, deductions, or credits granted under this act to that individual reaches \$10,000,000.00.

(5) A casino located and conducting business activity within a renaissance zone is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2). Real property in a renaissance zone on which a casino is operated, personal property of a casino located in a renaissance zone, and all property associated or affiliated with the operation of a casino is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2). As used in this subsection, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

(6) For tax years beginning on or after January 1, 1997, an individual who is a resident of a renaissance zone shall not be denied the exemption under subsection (1) if the individual failed to file a return on or before December 31 of the prior tax year under subsection (1)(a)(ii) and that individual was entitled to a refund under that act.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4733 of the 90th Legislature is enacted into law.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Sam E. Randall

Clerk of the House of Representatives.

Approved

.....
Governor.