

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1453

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 6 and 8a (MCL 125.2686 and 125.2688a),
section 6 as amended by 2004 PA 16 and section 8a as amended by
2002 PA 587.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 6. (1) The board shall review all recommendations
2 submitted by the review board and determine which applications
3 meet the criteria contained in section 7.
4 (2) The board shall do all of the following:
5 (a) Designate renaissance zones.
6 (b) Subject to subsection (3), approve or reject the duration
7 of renaissance zone status.
8 (c) Subject to subsection (3), approve or reject the
9 geographic boundaries and the total area of the renaissance zone

1 as submitted in the application.

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

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

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

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

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

1 terms and conditions as the original designation of that
2 renaissance zone.

3 (8) Notwithstanding any other provisions of this act, before
4 July 1, 2004, a qualified local governmental unit in which a
5 renaissance zone was designated under section 8a(1) as a
6 renaissance zone located in a rural area may modify the
7 boundaries of that renaissance zone to include a contiguous
8 parcel of property as determined by the qualified local
9 governmental unit. The contiguous parcel of property shall only
10 include property that is less than .5 acres in size and that the
11 qualified local governmental unit previously sought to have
12 included in the zone by submitting an application in February
13 2002 that was not acted upon by the review board. The additional
14 contiguous parcel of property included in a renaissance zone
15 under this subsection does not constitute an additional distinct
16 geographic area under section 4(1)(d). If the boundaries of the
17 renaissance zone are modified as provided in this subsection, the
18 additional contiguous parcel of property shall become part of the
19 original renaissance zone on the same terms and conditions as the
20 rest of the property in that renaissance zone.

21 (9) **A business that is located and conducts business activity**
22 **within a renaissance zone designated under section 8(1) and (2),**
23 **8a(1) and (3), 8c(1), or 8d(1) shall not make a payment in lieu**
24 **of taxes to any taxing jurisdiction within the qualified local**
25 **governmental unit in which the renaissance zone is located.**

26 Sec. 8a. (1) Except as provided in subsections (2), (3), and
27 (4), the board shall not designate more than 9 additional

1 renaissance zones within this state under this section. Not more
2 than 6 of the renaissance zones shall be located in urban areas
3 and not more than 5 of the renaissance zones shall be located in
4 rural areas. For purposes of determining whether a renaissance
5 zone is located in an urban area or rural area under this
6 section, if any part of a renaissance zone is located within an
7 urban area, the entire renaissance zone shall be considered to be
8 located in an urban area.

9 (2) The board of the Michigan strategic fund described in
10 section 4 of the Michigan strategic fund act, 1984 PA 270,
11 MCL 125.2004, may designate not more than ~~5~~ 6 additional
12 renaissance zones within this state in 1 or more cities,
13 villages, or townships if that city, village, or township or
14 combination of cities, villages, or townships consents to the
15 creation of a renaissance zone within their boundaries. The
16 board of the Michigan strategic fund may designate not more than
17 1 of the ~~5~~ 6 additional renaissance zones described in this
18 subsection as an alternative energy zone. An alternative energy
19 zone shall promote and increase the research, development, and
20 manufacturing of alternative energy technology as that term is
21 defined in the Michigan next energy authority act. An
22 alternative energy zone shall have a duration of renaissance zone
23 status for a period not to exceed 20 years as determined by the
24 board of the Michigan strategic fund. Not later than ~~18 months~~
25 ~~after the effective date of the amendatory act that added~~
26 ~~subsection (6)~~ **April 16, 2004**, the board of the Michigan
27 strategic fund may designate not more than 1 of the ~~5~~ 6

1 additional renaissance zones described in this subsection as a
2 pharmaceutical renaissance zone. A pharmaceutical renaissance
3 zone shall promote and increase the research, development, and
4 manufacturing of pharmaceutical products of an eligible
5 pharmaceutical company. **The board of the Michigan strategic fund**
6 **may designate not more than 1 of the additional 6 renaissance**
7 **zones described in this subsection as a redevelopment renaissance**
8 **zone. A redevelopment renaissance zone shall promote the**
9 **redevelopment of existing industrial facilities. Before**
10 **designating a renaissance zone under this subsection, the board**
11 **of the Michigan strategic fund may enter into a development**
12 **agreement with the city, township, or village in which the**
13 **renaissance zone will be located.**

14 (3) In addition to the not more than 9 additional renaissance
15 zones described in subsection (1), the board may designate
16 additional renaissance zones within this state in 1 or more
17 qualified local governmental units if that qualified local
18 governmental unit or units contain a military installation that
19 was operated by the United States department of defense and was
20 closed in 1977 or after 1990.

21 (4) Land owned by a county or the qualified local
22 governmental unit or units adjacent to a zone as described in
23 subsection (3) may be included in this zone.

24 (5) Notwithstanding any other provision of this act, property
25 located in the alternative energy zone that is classified as
26 commercial real property under section 34c of the general
27 property tax act, 1893 PA 206, MCL 211.34c, and that the

1 authority, with the concurrence of the assessor of the local tax
2 collecting unit, determines is not used to directly promote and
3 increase the research, development, and manufacturing of
4 alternative energy technology is not eligible for any exemption,
5 deduction, or credit under section 9.

6 (6) As used in this section: ~~—, "eligible~~

7 (a) **"Eligible** pharmaceutical company" means a company that
8 meets all of the following criteria:

9 (i) ~~—(a)—~~ Is engaged primarily in manufacturing, research and
10 development, and sale of pharmaceuticals.

11 (ii) ~~—(b)—~~ Has not less than 8,500 employees located in this
12 state, all of whom are located within a 100-mile radius of each
13 other.

14 (iii) ~~—(c)—~~ Of the total number of employees located in this
15 state, has not less than 5,000 engaged primarily in research and
16 development of pharmaceuticals.

17 (b) **"Redevelopment renaissance zone"** means a renaissance zone
18 that meets all of the following:

19 (i) Is located in a city with a population of more than 7,500
20 and less than 8,500 and is located in a county with a population
21 of more than 60,000 and less than 70,000.

22 (ii) Contains an industrial site of 200 or more acres.