

**SUBSTITUTE FOR  
SENATE BILL NO. 1453**

A bill to amend 1996 PA 376, entitled  
"Michigan renaissance zone act,"  
by amending sections 8a and 9 (MCL 125.2688a and 125.2689),  
section 8a as amended by 2002 PA 587.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 8a. (1) Except as provided in subsections (2), (3),  
2 and (4), the board shall not designate more than 9 additional  
3 renaissance zones within this state under this section. Not more  
4 than 6 of the renaissance zones shall be located in urban areas  
5 and not more than 5 of the renaissance zones shall be located in  
6 rural areas. For purposes of determining whether a renaissance  
7 zone is located in an urban area or rural area under this  
8 section, if any part of a renaissance zone is located within an  
9 urban area, the entire renaissance zone shall be considered to be  
10 located in an urban area.

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

1 existing industrial facilities.

2 (3) In addition to the not more than 9 additional renaissance  
3 zones described in subsection (1), the board may designate  
4 additional renaissance zones within this state in 1 or more  
5 qualified local governmental units if that qualified local  
6 governmental unit or units contain a military installation that  
7 was operated by the United States department of defense and was  
8 closed in 1977 or after 1990.

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

12 (5) Notwithstanding any other provision of this act, property  
13 located in the alternative energy zone that is classified as  
14 commercial real property under section 34c of the general  
15 property tax act, 1893 PA 206, MCL 211.34c, and that the  
16 authority, with the concurrence of the assessor of the local tax  
17 collecting unit, determines is not used to directly promote and  
18 increase the research, development, and manufacturing of  
19 alternative energy technology is not eligible for any exemption,  
20 deduction, or credit under section 9.

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

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

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

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

1 other.

2       **(iii)** ~~—(e)—~~ Of the total number of employees located in this  
3 state, has not less than 5,000 engaged primarily in research and  
4 development of pharmaceuticals.

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

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

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

11       Sec. 9. (1) Except as otherwise provided in section 10 **and**  
12 **this subsection**, an individual who is a resident of a renaissance  
13 zone or a business that is located and conducts business activity  
14 within a renaissance zone shall receive the exemption, deduction,  
15 or credit as provided in the following for the period provided  
16 under section 6(2) (b):

17       (a) Section 39b of the single business tax act, ~~Act No. 228~~  
18 ~~of the Public Acts of 1975, being section 208.39b of the Michigan~~  
19 ~~Compiled Laws 1975 PA 228, MCL 208.39b.~~

20       (b) Section 31 of the income tax act of 1967, ~~Act No. 281 of~~  
21 ~~the Public Acts of 1967, being section 206.31 of the Michigan~~  
22 ~~Compiled Laws 1967 PA 281, MCL 206.31.~~

23       (c) ~~Section~~ **Except for an individual who is a resident of a**  
24 **redevelopment renaissance zone or a business that is located and**  
25 **conducts business activity within a redevelopment renaissance**  
26 **zone, section** 35 of chapter 2 of the city income tax act, ~~Act~~  
27 ~~No. 284 of the Public Acts of 1964, being section 141.635 of the~~

1 ~~Michigan Compiled Laws~~ 1964 PA 284, MCL 141.635.

2 (d) Section 5 of the city utility users tax act, ~~Act No. 100~~  
3 ~~of the Public Acts of 1990, being section 141.1155 of the~~  
4 ~~Michigan Compiled Laws~~ 1990 PA 100, MCL 141.1155.

5 (2) Except as otherwise provided in section 10, property  
6 located in a renaissance zone is exempt from the collection of  
7 taxes under all of the following:

8 (a) ~~Section~~ **Except for an individual who is a resident of a**  
9 **redevelopment renaissance zone or a business that is located and**  
10 **conducts business activity within a redevelopment renaissance**  
11 **zone, section** 7ff of the general property tax act, ~~Act No. 206~~  
12 ~~of the Public Acts of 1893, being section 211.7ff of the Michigan~~  
13 ~~Compiled Laws~~ 1893 PA 206, MCL 211.7ff.

14 (b) Section 11 of ~~Act No. 198 of the Public Acts of 1974,~~  
15 ~~being section 207.561 of the Michigan Compiled Laws~~ 1974 PA 198,  
16 MCL 207.561.

17 (c) Section 12 of the commercial redevelopment act, ~~Act~~  
18 ~~No. 255 of the Public Acts of 1978, being section 207.662 of the~~  
19 ~~Michigan Compiled Laws~~ 1978 PA 255, MCL 207.662.

20 (d) Section 21c of the enterprise zone act, ~~Act No. 224 of~~  
21 ~~the Public Acts of 1985, being section 125.2121c of the Michigan~~  
22 ~~Compiled Laws~~ 1985 PA 224, MCL 125.2121c.

23 (e) Section 1 of ~~Act No. 189 of the Public Acts of 1953,~~  
24 ~~being section 211.181 of the Michigan Compiled Laws~~ 1953 PA 189,  
25 MCL 211.181.

26 (f) Section 12 of the technology park development act, ~~Act~~  
27 ~~No. 385 of the Public Acts of 1984, being section 207.712 of the~~

1 ~~Michigan Compiled Laws 1984 PA 385, MCL 207.712.~~

2 (g) Section 51105 ~~of part 511 (commercial forests)~~ of the  
3 natural resources and environmental protection act, ~~Act No. 451~~  
4 ~~of the Public Acts of 1994, being section 324.51105 of the~~  
5 ~~Michigan Compiled Laws 1994 PA 451, MCL 324.51105.~~

6 (h) Section 9 of the neighborhood enterprise zone act, ~~Act~~  
7 ~~No. 147 of the Public Acts of 1992, being section 207.779 of the~~  
8 ~~Michigan Compiled Laws 1992 PA 147, MCL 207.779.~~

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

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

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

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