

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 922

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 6 and 8a (MCL 125.2686 and 125.2688a), as
amended by 2004 PA 430.

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 meet
3 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

1 geographic boundaries and the total area of the renaissance zone as
2 submitted in the application.

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

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

11 (5) The designation of a renaissance zone under this act shall
12 take effect on January 1 in the year following designation.

13 However, for purposes of the taxes exempted under section 9(2), the
14 designation of a renaissance zone under this act shall take effect
15 on December 31 in the year of designation.

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

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

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

26 **(10) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, BEFORE**
27 **JULY 1, 2006, A QUALIFIED LOCAL GOVERNMENTAL UNIT IN WHICH A**

1 RENAISSANCE ZONE OF LESS THAN 50 CONTIGUOUS ACRES BUT MORE THAN 20
2 CONTIGUOUS ACRES WAS DESIGNATED UNDER SECTION 8 OR 8A AS A
3 RENAISSANCE ZONE IN A CITY LOCATED IN A COUNTY WITH A POPULATION OF
4 MORE THAN 160,000 AND LESS THAN 170,000 MAY MODIFY THE BOUNDARIES
5 OF THAT RENAISSANCE ZONE TO INCLUDE A CONTIGUOUS PARCEL OF PROPERTY
6 AS DETERMINED BY THE QUALIFIED LOCAL GOVERNMENTAL UNIT. THE
7 CONTIGUOUS PARCEL OF PROPERTY SHALL ONLY INCLUDE PROPERTY THAT IS
8 LESS THAN 12 ACRES IN SIZE. THE ADDITIONAL CONTIGUOUS PARCEL OF
9 PROPERTY INCLUDED IN A RENAISSANCE ZONE UNDER THIS SUBSECTION DOES
10 NOT CONSTITUTE AN ADDITIONAL DISTINCT GEOGRAPHIC AREA UNDER SECTION
11 4(1)(D). IF THE BOUNDARIES OF THE RENAISSANCE ZONE ARE MODIFIED AS
12 PROVIDED IN THIS SUBSECTION, THE ADDITIONAL CONTIGUOUS PARCEL OF
13 PROPERTY SHALL BECOME PART OF THE ORIGINAL RENAISSANCE ZONE ON THE
14 SAME TERMS AND CONDITIONS AS THE REST OF THE PROPERTY IN THAT
15 RENAISSANCE ZONE.

16 (11) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, BEFORE
17 JULY 1, 2006, A QUALIFIED LOCAL GOVERNMENTAL UNIT IN WHICH A
18 RENAISSANCE ZONE OF MORE THAN 500 ACRES WAS DESIGNATED UNDER
19 SECTION 8 OR 8A AS A RENAISSANCE ZONE IN A COUNTY WITH A POPULATION
20 OF MORE THAN 61,000 AND LESS THAN 64,000 MAY MODIFY THE BOUNDARIES
21 OF THAT RENAISSANCE ZONE TO INCLUDE A CONTIGUOUS PARCEL OF PROPERTY
22 AS DETERMINED BY THE QUALIFIED LOCAL GOVERNMENTAL UNIT. THE
23 CONTIGUOUS PARCEL OF PROPERTY SHALL ONLY INCLUDE PROPERTY THAT IS
24 LESS THAN 12 ACRES IN SIZE. THE ADDITIONAL CONTIGUOUS PARCEL OF
25 PROPERTY INCLUDED IN A RENAISSANCE ZONE UNDER THIS SUBSECTION DOES
26 NOT CONSTITUTE AN ADDITIONAL DISTINCT GEOGRAPHIC AREA UNDER SECTION
27 4(1)(D). IF THE BOUNDARIES OF THE RENAISSANCE ZONE ARE MODIFIED AS

1 PROVIDED IN THIS SUBSECTION, THE ADDITIONAL CONTIGUOUS PARCEL OF
2 PROPERTY SHALL BECOME PART OF THE ORIGINAL RENAISSANCE ZONE ON THE
3 SAME TERMS AND CONDITIONS AS THE REST OF THE PROPERTY IN THAT
4 RENAISSANCE ZONE.

5 (12) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, BEFORE
6 JULY 1, 2006, A QUALIFIED LOCAL GOVERNMENTAL UNIT IN WHICH A
7 RENAISSANCE ZONE OF MORE THAN 137 ACRES WAS DESIGNATED UNDER
8 SECTION 8 OR 8A AS A RENAISSANCE ZONE IN A COUNTY WITH A POPULATION
9 OF MORE THAN 61,000 AND LESS THAN 63,000 MAY MODIFY THE BOUNDARIES
10 OF THAT RENAISSANCE ZONE TO INCLUDE A PARCEL OF PROPERTY THAT IS
11 SEPARATED FROM THE EXISTING RENAISSANCE ZONE BY A ROADWAY AS
12 DETERMINED BY THE QUALIFIED LOCAL GOVERNMENTAL UNIT. THE PARCEL OF
13 PROPERTY SHALL ONLY INCLUDE PROPERTY THAT IS LESS THAN 67 ACRES IN
14 SIZE. THE ADDITIONAL CONTIGUOUS PARCEL OF PROPERTY INCLUDED IN A
15 RENAISSANCE ZONE UNDER THIS SUBSECTION DOES NOT CONSTITUTE AN
16 ADDITIONAL DISTINCT GEOGRAPHIC AREA UNDER SECTION 4(1)(D). IF THE
17 BOUNDARIES OF THE RENAISSANCE ZONE ARE MODIFIED AS PROVIDED IN THIS
18 SUBSECTION, THE ADDITIONAL CONTIGUOUS PARCEL OF PROPERTY SHALL
19 BECOME PART OF THE ORIGINAL RENAISSANCE ZONE ON THE SAME TERMS AND
20 CONDITIONS AS THE REST OF THE PROPERTY IN THAT RENAISSANCE ZONE.

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

1 part of a renaissance zone is located within an urban area, the
2 entire renaissance zone shall be considered to be located in an
3 urban area.

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

1 shall promote the redevelopment of existing industrial facilities.
2 Before designating a renaissance zone under this subsection, the
3 board of the Michigan strategic fund may enter into a development
4 agreement with the city, township, or village in which the
5 renaissance zone will be located.

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

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

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

25 (6) As used in this section:

26 (a) "Eligible pharmaceutical company" means a company that
27 meets all of the following criteria:

1 (i) Is engaged primarily in manufacturing, research and
2 development, and sale of pharmaceuticals.

3 (ii) Has not less than 8,500 employees located in this state,
4 all of whom are located within a 100-mile radius of each other.

5 (iii) Of the total number of employees located in this state,
6 has not less than ~~5,000~~ **4,800** engaged primarily in research and
7 development of pharmaceuticals.

8 (b) "Redevelopment renaissance zone" means a renaissance zone
9 that meets ~~all~~ 1 of the following:

10 (i) **ALL OF THE FOLLOWING:**

11 (A) Is located in a city with a population of more than 7,500
12 and less than 8,500 and is located in a county with a population of
13 more than 60,000 and less than 70,000.

14 (B) ~~—(ii)—~~ Contains an industrial site of 200 or more acres.

15 (ii) **ALL OF THE FOLLOWING:**

16 (A) **IS LOCATED IN A CITY WITH A POPULATION OF MORE THAN 13,000**
17 **AND LESS THAN 14,000 AND IS LOCATED IN A COUNTY WITH A POPULATION**
18 **OF MORE THAN 1,000,000 AND LESS THAN 1,300,000.**

19 (B) **CONTAINS AN INDUSTRIAL SITE OF 300 OR MORE CONTIGUOUS**
20 **ACRES.**

21 (iii) **ALL OF THE FOLLOWING:**

22 (A) **IS LOCATED IN A TOWNSHIP WITH A POPULATION OF MORE THAN**
23 **5,500 AND IS LOCATED IN A COUNTY WITH A POPULATION OF LESS THAN**
24 **24,000.**

25 (B) **CONTAINS AN INDUSTRIAL SITE OF MORE THAN 850 ACRES AND HAS**
26 **RAILROAD ACCESS.**

27 (iv) **ALL OF THE FOLLOWING:**

1 (A) IS LOCATED IN A CITY WITH A POPULATION OF MORE THAN 40,000
2 AND LESS THAN 44,000 AND IS LOCATED IN A COUNTY WITH A POPULATION
3 OF MORE THAN 81,000 AND LESS THAN 87,000.

4 (B) CONTAINS AN INDUSTRIAL SITE OF MORE THAN 475 ACRES.

5 (v) ALL OF THE FOLLOWING:

6 (A) IS LOCATED IN A CITY WITH A POPULATION OF MORE THAN 21,000
7 AND LESS THAN 26,000 AND IS LOCATED IN A COUNTY WITH A POPULATION
8 OF MORE THAN 573,000 AND LESS THAN 625,000.

9 (B) CONTAINS AN INDUSTRIAL SITE OF LESS THAN 45 ACRES IN SIZE.

10 Enacting section 1. This amendatory act does not take effect
11 unless House Bill No. 5640 of the 93rd Legislature is enacted into
12 law.