

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4818

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending section 8d (MCL 125.2688d), as amended by 2004 PA 202.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8d. (1) The board of the Michigan strategic fund
2 described in section 4 of the Michigan strategic fund act, 1984 PA
3 270, MCL 125.2004, may designate not more than ~~20~~ 25 tool and die
4 renaissance recovery 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 recovery zone within their boundaries. A recovery
8 zone shall have a duration of renaissance zone status for a period

1 OF not ~~to exceed~~ LESS THAN 5 YEARS AND NOT MORE THAN 15 years as
2 determined by the board of the Michigan strategic fund. IF THE
3 MICHIGAN STRATEGIC FUND DETERMINES THAT THE DURATION OF RENAISSANCE
4 ZONE STATUS FOR A RECOVERY ZONE IS LESS THAN 15 YEARS, THEN THE
5 MICHIGAN STRATEGIC FUND, WITH THE CONSENT OF THE CITY, VILLAGE, OR
6 TOWNSHIP OR COMBINATION OF CITIES, VILLAGES, OR TOWNSHIPS IN WHICH
7 THE QUALIFIED TOOL AND DIE BUSINESS IS LOCATED, MAY EXTEND THE
8 DURATION OF RENAISSANCE ZONE STATUS FOR THE RECOVERY ZONE FOR 1 OR
9 MORE PERIODS THAT WHEN COMBINED DO NOT EXCEED 15 YEARS.

10 (2) The board of the Michigan strategic fund may designate a
11 recovery zone within this state if the recovery zone consists ~~only~~
12 ~~of 1 or more parcels of qualified tool and die business property~~
13 OF NOT LESS THAN 4 AND NOT MORE THAN 20 QUALIFIED TOOL AND DIE
14 BUSINESSES AT THE TIME OF DESIGNATION. IF THE BOARD OF THE MICHIGAN
15 STRATEGIC FUND DESIGNATED 1 OR MORE RECOVERY ZONES THAT CONTAIN
16 LESS THAN 20 QUALIFIED TOOL AND DIE BUSINESSES BEFORE THE EFFECTIVE
17 DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE, THE BOARD OF
18 THE MICHIGAN STRATEGIC FUND MAY ADD ADDITIONAL QUALIFIED TOOL AND
19 DIE BUSINESSES TO THAT RECOVERY ZONE SUBJECT TO THE LIMITATIONS
20 CONTAINED IN THIS SUBSECTION. A RECOVERY ZONE SHALL CONSIST OF ONLY
21 QUALIFIED TOOL AND DIE BUSINESS PROPERTY. THE BOARD OF THE MICHIGAN
22 STRATEGIC FUND MAY COMBINE EXISTING RECOVERY ZONES THAT ARE
23 COMPRISED SOLELY OF TOOL AND DIE BUSINESSES THAT ARE PARTIES TO THE
24 SAME QUALIFIED COLLABORATIVE AGREEMENT. WHERE 2 OR MORE RECOVERY
25 ZONES HAVE BEEN COMBINED, THE BOARD OF THE MICHIGAN STRATEGIC FUND
26 MAY CONTINUE TO DESIGNATE ADDITIONAL RECOVERY ZONES, PROVIDED THAT
27 NO MORE THAN 25 TOOL AND DIE RECOVERY ZONES EXIST AT 1 TIME.

1 (3) The board of the Michigan strategic fund may revoke the
2 designation of all or a portion of a recovery zone with respect to
3 1 or more qualified tool and die businesses if those qualified tool
4 and die businesses fail or cease to participate in or comply with a
5 qualified collaborative agreement. **A QUALIFIED TOOL AND DIE
6 BUSINESS MAY ENTER INTO ANOTHER QUALIFIED COLLABORATIVE AGREEMENT
7 ONCE IT IS DESIGNATED PART OF A RECOVERY ZONE.**

8 (4) **ONE OR MORE QUALIFIED TOOL AND DIE BUSINESSES SUBJECT TO A
9 QUALIFIED COLLABORATIVE AGREEMENT MAY MERGE INTO ANOTHER GROUP OF
10 QUALIFIED TOOL AND DIE BUSINESSES SUBJECT TO A DIFFERENT QUALIFIED
11 COLLABORATIVE AGREEMENT UPON APPLICATION TO AND APPROVAL BY THE
12 MICHIGAN STRATEGIC FUND.**

13 (5) **A QUALIFIED TOOL AND DIE BUSINESS IN A RECOVERY ZONE MAY
14 HAVE A DIFFERENT PERIOD OF RENAISSANCE ZONE STATUS THAN OTHER
15 QUALIFIED TOOL AND DIE BUSINESSES IN THE SAME RECOVERY ZONE.**

16 (6) **THE BOARD OF THE MICHIGAN STRATEGIC FUND MAY MODIFY AN
17 EXISTING RECOVERY ZONE TO ADD 1 OR MORE QUALIFIED TOOL AND DIE
18 BUSINESSES WITH THE CONSENT OF ALL OTHER QUALIFIED TOOL AND DIE
19 BUSINESSES THAT ARE PARTICIPATING IN THE RECOVERY ZONE.**

20 (7) ~~—(4)—~~ As used in this section:

21 (a) "Qualified collaborative agreement" means an agreement
22 that demonstrates synergistic opportunities, including, but not
23 limited to, all of the following:

24 (i) Sales and marketing efforts.

25 (ii) Development of standardized processes.

26 (iii) Development of tooling standards.

27 (iv) Standardized project management methods.

1 (v) Improved ability for specialized or small niche shops to
2 develop expertise and compete successfully on larger programs.

3 (b) "Qualified tool and die business" means a business entity
4 that meets all of the following:

5 (i) Has a North American industrial classification system
6 (NAICS) of 333511, 333512, 333513, 333514, or 333515; or has a
7 North American industrial classification system (NAICS) of 337215
8 and operates a facility within an existing renaissance zone, which
9 facility is adjacent to real property not located in a renaissance
10 zone and is located within 1/4 mile of a Michigan technical
11 education center.

12 (ii) Has entered into a qualified collaboration agreement as
13 approved by the Michigan strategic fund ~~with~~ **CONSISTING OF NOT**
14 **FEWER THAN 4 OR MORE THAN 20** other business entities **AT THE TIME OF**
15 **DESIGNATION** that have a North American industrial classification
16 system (NAICS) of 333511, 333512, 333513, 333514, or 333515.

17 (iii) Has ~~less~~ **FEWER** than ~~50~~ **75** full-time employees.

18 (c) "Qualified tool and die business property" means 1 or more
19 of the following:

20 (i) Property owned by 1 or more qualified tool and die
21 businesses and used by those qualified tool and die businesses
22 primarily for tool and die business operations. **QUALIFIED TOOL AND**
23 **DIE BUSINESS PROPERTY IS USED PRIMARILY FOR TOOL AND DIE BUSINESS**
24 **OPERATIONS IF THE QUALIFIED TOOL AND DIE BUSINESSES THAT OWN THE**
25 **QUALIFIED TOOL AND DIE BUSINESS PROPERTY GENERATE 75% OR MORE OF**
26 **THE QUALIFIED TOOL AND DIE BUSINESSES' GROSS REVENUE FROM TOOL AND**
27 **DIE OPERATIONS THAT TAKE PLACE ON THE QUALIFIED TOOL AND DIE**

1 BUSINESS PROPERTY AT THE TIME OF DESIGNATION.

2 (ii) Property leased by 1 or more qualified tool and die
3 business for which the qualified tool and die business is liable
4 for ad valorem property taxes and which is used by those qualified
5 tool and die businesses primarily for tool and die business
6 operations. QUALIFIED TOOL AND DIE BUSINESS PROPERTY IS USED
7 PRIMARILY FOR TOOL AND DIE BUSINESS OPERATIONS IF THE QUALIFIED
8 TOOL AND DIE BUSINESSES THAT LEASE THE QUALIFIED TOOL AND DIE
9 BUSINESS PROPERTY GENERATE 75% OR MORE OF THE QUALIFIED TOOL AND
10 DIE BUSINESSES' GROSS REVENUE FROM TOOL AND DIE OPERATIONS THAT
11 TAKE PLACE ON THE QUALIFIED TOOL AND DIE BUSINESS PROPERTY AT THE
12 TIME OF DESIGNATION. The qualified tool and die business shall
13 furnish proof of its ad valorem property tax liability to the
14 department of treasury.

15 ~~—— (d) "Recovery zone" means a tool and die renaissance recovery~~
16 ~~zone created in this section.~~