

SUBSTITUTE FOR  
HOUSE BILL NO. 5752

A bill to amend 1996 PA 376, entitled  
"Michigan renaissance zone act,"  
by amending sections 3, 6, and 8 (MCL 125.2683, 125.2686, and  
125.2688), section 3 as amended by 2005 PA 275, section 6 as  
amended by 2004 PA 430, and section 8 as amended by 2003 PA 266,  
and by adding section 8e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3. As used in this act:

2       (a) "Agricultural processing facility" means 1 or more  
3 facilities or operations that transform, package, sort, or grade  
4 livestock or livestock products, agricultural commodities, or  
5 plants or plant products into goods that are used for intermediate  
6 or final consumption including goods for nonfood use, and

1 surrounding property.

2 (b) "Board" means the state administrative board created in  
3 1921 PA 2, MCL 17.1 to 17.3.

4 (c) "Development plan" means a written plan that addresses the  
5 criteria in section 7 and includes all of the following:

6 (i) A map of the proposed renaissance zone that indicates the  
7 geographic boundaries, the total area, and the present use and  
8 conditions generally of the land and structures within those  
9 boundaries.

10 (ii) Evidence of community support and commitment from  
11 residential and business interests.

12 (iii) A description of the methods proposed to increase economic  
13 opportunity and expansion, facilitate infrastructure improvement,  
14 and identify job training opportunities.

15 (iv) Current social, economic, and demographic characteristics  
16 of the proposed renaissance zone and anticipated improvements in  
17 education, health, human services, public safety, and employment if  
18 the renaissance zone is created.

19 (v) Any other information required by the board.

20 (d) "Elected county executive" means the elected county  
21 executive in a county organized under 1966 PA 293, MCL 45.501 to  
22 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

23 (e) "Local governmental unit" means a county, city, village,  
24 or township.

25 (f) "Person" means an individual, partnership, corporation,  
26 association, limited liability company, governmental entity, or  
27 other legal entity.

(g) "Qualified local governmental unit" means either of the following:

(i) A county.

(ii) A city, village, or township that contains an eligible distressed area as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(h) "Recovery zone" means a tool and die renaissance recovery zone created in section 8d.

(i) "Renaissance zone" means a geographic area designated under this act.

**(J) "RENEWABLE ENERGY FACILITY" MEANS A SYSTEM THAT CREATES ENERGY FROM A PROCESS USING RESIDUES FROM AGRICULTURAL PRODUCTS, FOREST PRODUCTS, PAPER PRODUCTS INDUSTRIES, AND FOOD PRODUCTION AND PROCESSING; TREES AND GRASSES GROWN SPECIFICALLY TO BE USED AS ENERGY CROPS; AND GASEOUS FUELS PRODUCED FROM SOLID BIOMASS, ANIMAL WASTES, MUNICIPAL WASTES, OR LANDFILLS.**

**(K)** ~~-(j)-~~ "Residential rental property" means that term as defined in section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff.

**(L)** ~~-(k)-~~ "Review board" means the renaissance zone review board created in section 5.

**(M)** ~~-(l)-~~ "Rural area" means an area that lies outside of the boundaries of an urban area.

**(N)** ~~-(m)-~~ "Urban area" means an urbanized area as determined by the economics and statistics administration, United States bureau of the census according to the 1990 census.

Sec. 6. (1) The board shall review all recommendations

1 submitted by the review board and determine which applications meet  
2 the criteria contained in section 7.

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

4 (a) Designate renaissance zones.

5 (b) Subject to subsection (3), approve or reject the duration  
6 of renaissance zone status.

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

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

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

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

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

25 (7) Through December 31, 2002, a qualified local governmental  
26 unit in which a renaissance zone was designated under section 8 or  
27 8a may modify the boundaries of that renaissance zone to include

1 contiguous parcels of property as determined by the qualified local  
2 governmental unit and approval by the review board. The additional  
3 contiguous parcels of property included in a renaissance zone under  
4 this subsection do not constitute an additional distinct geographic  
5 area under section 4(1)(d). If the boundaries of the renaissance  
6 zone are modified as provided in this subsection, the additional  
7 contiguous parcels of property shall become part of the original  
8 renaissance zone on the same terms and conditions as the original  
9 designation of that renaissance zone.

10 (8) Notwithstanding any other provisions of this act, before  
11 July 1, 2004, a qualified local governmental unit in which a  
12 renaissance zone was designated under section 8a(1) as a  
13 renaissance zone located in a rural area may modify the boundaries  
14 of that renaissance zone to include a contiguous parcel of property  
15 as determined by the qualified local governmental unit. The  
16 contiguous parcel of property shall only include property that is  
17 less than .5 acres in size and that the qualified local  
18 governmental unit previously sought to have included in the zone by  
19 submitting an application in February 2002 that was not acted upon  
20 by the review board. The additional contiguous parcel of property  
21 included in a renaissance zone under this subsection does not  
22 constitute an additional distinct geographic area under section  
23 4(1)(d). If the boundaries of the renaissance zone are modified as  
24 provided in this subsection, the additional contiguous parcel of  
25 property shall become part of the original renaissance zone on the  
26 same terms and conditions as the rest of the property in that  
27 renaissance zone.

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

6           Sec. 8. (1) Except as provided in subsection (2), section 8a,  
7 section 8c, ~~and~~ section 8d, **AND SECTION 8E**, the board shall not  
8 designate more than 9 renaissance zones within this state. Not more  
9 than 6 of the renaissance zones shall be located in urban areas and  
10 not more than 4 of the renaissance zones shall be located in rural  
11 areas. For purposes of determining whether a renaissance zone is  
12 located in an urban area or rural area under this section, if any  
13 part of a renaissance zone is located within an urban area, the  
14 entire renaissance zone shall be considered to be located in an  
15 urban area.

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

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

1        SEC. 8E. (1) THE BOARD, UPON RECOMMENDATION OF THE BOARD OF  
2        THE MICHIGAN STRATEGIC FUND DEFINED IN SECTION 4 OF THE MICHIGAN  
3        STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004, MAY DESIGNATE NOT  
4        MORE THAN 10 ADDITIONAL RENAISSANCE ZONES FOR RENEWABLE ENERGY  
5        FACILITIES WITHIN THIS STATE IN 1 OR MORE CITIES, VILLAGES, OR  
6        TOWNSHIPS IF THAT CITY, VILLAGE, OR TOWNSHIP OR COMBINATION OF  
7        CITIES, VILLAGES, OR TOWNSHIPS AND THE COUNTY OR COUNTIES IN WHICH  
8        THE RENEWABLE ENERGY FACILITY IS LOCATED CONSENTS TO THE CREATION  
9        OF A RENAISSANCE ZONE FOR A RENEWABLE ENERGY FACILITY WITHIN THEIR  
10       BOUNDARIES.

11       (2) EACH RENAISSANCE ZONE DESIGNATED FOR A RENEWABLE ENERGY  
12       FACILITY UNDER THIS SECTION SHALL BE 1 CONTINUOUS DISTINCT  
13       GEOGRAPHIC AREA.

14       (3) THE BOARD MAY REVOKE THE DESIGNATION OF ALL OR A PORTION  
15       OF A RENAISSANCE ZONE FOR A RENEWABLE ENERGY FACILITY IF THE BOARD  
16       DETERMINES THAT THE RENEWABLE ENERGY FACILITY DOES 1 OR MORE OF THE  
17       FOLLOWING IN A RENAISSANCE ZONE DESIGNATED UNDER THIS SECTION:

18       (A) FAILS TO COMMENCE OPERATION.

19       (B) CEASES OPERATION.

20       (C) FAILS TO COMMENCE CONSTRUCTION OR RENOVATION WITHIN 1 YEAR  
21       FROM THE DATE THE RENAISSANCE ZONE FOR THE RENEWABLE ENERGY  
22       FACILITY IS DESIGNATED.

23       (4) WHEN DESIGNATING A RENAISSANCE ZONE FOR A RENEWABLE ENERGY  
24       FACILITY, THE BOARD SHALL CONSIDER ALL OF THE FOLLOWING:

25       (A) THE ECONOMIC IMPACT ON LOCAL SUPPLIERS WHO SUPPLY RAW  
26       MATERIALS, GOODS, AND SERVICES TO THE RENEWABLE ENERGY FACILITY.

27       (B) THE CREATION OF JOBS RELATIVE TO THE EMPLOYMENT BASE OF

1 THE COMMUNITY RATHER THAN THE STATIC NUMBER OF JOBS CREATED.

2 (C) THE VIABILITY OF THE PROJECT.

3 (D) THE ECONOMIC IMPACT ON THE COMMUNITY IN WHICH THE  
4 RENEWABLE ENERGY FACILITY IS LOCATED.

5 (E) ALL OTHER THINGS BEING EQUAL, GIVING PREFERENCE TO A  
6 BUSINESS ENTITY ALREADY LOCATED IN THIS STATE.