

**SUBSTITUTE FOR
HOUSE BILL NO. 5942**

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 4, 8a, and 11 (MCL 125.2684, 125.2688a, and
125.2691), section 4 as amended by 2002 PA 477 and section 8a as
amended by 2006 PA 116.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) One or more qualified local governmental units may
2 apply to the review board to designate the qualified local
3 governmental unit or units as a renaissance zone if all of the
4 following criteria are met:

5 (a) The geographic area of the proposed renaissance zone is
6 located within the boundaries of the qualified local governmental
7 unit or units that apply.

8 (b) The application includes a development plan.

1 (c) The proposed renaissance zone is not more than 5,000 acres
2 in size.

3 (d) The renaissance zone does not contain more than 10
4 distinct geographic areas. Except as otherwise provided in this
5 subdivision, the minimum size of a distinct geographic area is not
6 less than 5 acres. A qualified local governmental unit or units may
7 designate not more than 4 distinct geographic areas in each
8 renaissance zone to have no minimum size requirement.

9 (e) The application includes the proposed duration of
10 renaissance zone status, not to exceed 15 years, except as
11 otherwise provided in this section.

12 (f) If the qualified local governmental unit has an elected
13 county executive, the county executive's written approval of the
14 application.

15 (g) If the qualified local governmental unit is a city, that
16 city's mayor's written approval of the application.

17 (2) A qualified local governmental unit may submit not more
18 than 1 application to the review board for designation as a
19 renaissance zone. A resolution provided by a city, village, or
20 township under section 7(2) does not constitute an application of a
21 city, village, or township for a renaissance zone under this act.

22 (3) For a distinct geographic area described in subsection
23 (1)(d), a village may include publicly owned land within the
24 boundaries of any distinct geographic area.

25 (4) Through ~~December 31, 2002~~ **DECEMBER 31, 2011**, a qualified
26 local governmental unit or units in which a renaissance zone was
27 designated under section 8 or ~~8a~~ **8A(1) OR (3)** may designate

1 additional distinct geographic areas not to exceed a total of 10
2 distinct geographic areas upon application to and approval by the
3 board **OF THE MICHIGAN STRATEGIC FUND IF THE ADDITIONAL DISTINCT**
4 **GEOGRAPHIC AREAS WILL INCREASE CAPITAL INVESTMENT AND JOB CREATION.**

5 The duration of renaissance zone status for the additional distinct
6 geographic areas shall not exceed 15 years. ~~except as provided in~~
7 ~~subsection (5).~~

8 (5) ~~If~~ **THROUGH DECEMBER 31, 2002, IF** a qualified local
9 governmental unit or units designate additional distinct geographic
10 areas in a renaissance zone under subsection (4), the qualified
11 local governmental unit or units may extend the duration of the
12 renaissance zone status of 1 or more distinct geographic areas in
13 that renaissance zone until 2017 upon application to and approval
14 by the board.

15 (6) Through December 31, 2002, a qualified local governmental
16 unit or units in which a renaissance zone was designated under
17 section 8 or 8a may, upon application to and approval by the board,
18 seek to extend the duration of renaissance zone status until 2017.
19 Upon application, the board may extend the duration of renaissance
20 zone status.

21 (7) **THROUGH DECEMBER 31, 2011, A QUALIFIED LOCAL GOVERNMENTAL**
22 **UNIT OR UNITS IN WHICH A RENAISSANCE ZONE WAS DESIGNATED UNDER**
23 **SECTION 8 OR 8A(1) OR (3) MAY, UPON APPLICATION TO AND APPROVAL BY**
24 **THE BOARD OF THE MICHIGAN STRATEGIC FUND, SEEK TO EXTEND THE**
25 **DURATION OF RENAISSANCE ZONE STATUS FOR 1 OR MORE PORTIONS OF THE**
26 **RENAISSANCE ZONE IF ADDITIONAL CAPITAL INVESTMENT, JOB RETENTION,**
27 **OR JOB CREATION WILL OCCUR AS A RESULT OF THE EXTENSION OR THE**

1 EXISTING RENAISSANCE ZONE HAS NOT EXPERIENCED SIGNIFICANT
2 DEVELOPMENT. THE BOARD OF THE MICHIGAN STRATEGIC FUND MAY EXTEND
3 RENAISSANCE ZONE STATUS FOR 1 OR MORE PORTIONS OF THE RENAISSANCE
4 ZONE UNDER THIS SUBSECTION FOR A PERIOD OF TIME NOT TO EXCEED 15
5 YEARS FROM THE DATE OF THE APPLICATION TO THE BOARD OF THE MICHIGAN
6 STRATEGIC FUND UNDER THIS SUBSECTION.

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

17 (2) The board of the Michigan strategic fund described in
18 section 4 of the Michigan strategic fund act, 1984 PA 270, MCL
19 125.2004, may designate not more than 10 additional renaissance
20 zones within this state in 1 or more cities, villages, or townships
21 if that city, village, or township or combination of cities,
22 villages, or townships consents to the creation of a renaissance
23 zone within their boundaries. The board of the Michigan strategic
24 fund may designate not more than 1 of the 10 additional renaissance
25 zones described in this subsection as an alternative energy zone.
26 An alternative energy zone shall promote and increase the research,
27 development, and manufacturing of alternative energy technology as

1 that term is defined in the Michigan next energy authority act. An
2 alternative energy zone shall have a duration of renaissance zone
3 status for a period not to exceed 20 years as determined by the
4 board of the Michigan strategic fund. Not later than April 16,
5 2004, the board of the Michigan strategic fund may designate not
6 more than 1 of the 10 additional renaissance zones described in
7 this subsection as a pharmaceutical renaissance zone. A
8 pharmaceutical renaissance zone shall promote and increase the
9 research, development, and manufacturing of pharmaceutical products
10 of an eligible pharmaceutical company. The board of the Michigan
11 strategic fund may designate not more than 5 of the additional 10
12 renaissance zones described in this subsection as a redevelopment
13 renaissance zone. A redevelopment renaissance zone shall promote
14 the redevelopment of existing industrial facilities. Before
15 designating a renaissance zone under this subsection, the board of
16 the Michigan strategic fund may enter into a development agreement
17 with the city, township, or village in which the renaissance zone
18 will be located.

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

26 (4) Land owned by a county or the qualified local governmental
27 unit or units adjacent to a zone as described in subsection (3) may

1 be included in this zone.

2 (5) Notwithstanding any other provision of this act, property
3 located in the alternative energy zone that is classified as
4 commercial real property under section 34c of the general property
5 tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the
6 concurrence of the assessor of the local tax collecting unit,
7 determines is not used to directly promote and increase the
8 research, development, and manufacturing of alternative energy
9 technology is not eligible for any exemption, deduction, or credit
10 under section 9.

11 (6) As used in this section:

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

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

16 (ii) Has not less than ~~8,500~~ **8,499** employees located in this
17 state, all of whom are located within a 100-mile radius of each
18 other.

19 (iii) Of the total number of employees located in this state,
20 has not less than 4,800 engaged primarily in research and
21 development of pharmaceuticals.

22 (b) "Redevelopment renaissance zone" means a renaissance zone
23 that meets 1 of the following:

24 (i) All of the following:

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

1 (B) Contains an industrial site of 200 or more acres.

2 (ii) All of the following:

3 (A) Is located in a city with a population of more than 13,000
4 and less than 14,000 and is located in a county with a population
5 of more than 1,000,000 and less than 1,300,000.

6 (B) Contains an industrial site of 300 or more contiguous
7 acres.

8 (iii) All of the following:

9 (A) Is located in a township with a population of more than
10 5,500 and is located in a county with a population of less than
11 24,000.

12 (B) Contains an industrial site of more than 850 acres and has
13 railroad access.

14 (iv) All of the following:

15 (A) Is located in a city with a population of more than 40,000
16 and less than 44,000 and is located in a county with a population
17 of more than 81,000 and less than 87,000.

18 (B) Contains an industrial site of more than 475 acres.

19 (v) All of the following:

20 (A) Is located in a city with a population of more than 21,000
21 and less than 26,000 and is located in a county with a population
22 of more than 573,000 and less than 625,000.

23 (B) Contains an industrial site of less than 45 acres in size.

24 Sec. 11. The form of the application for a renaissance zone
25 designation shall be as specified by the Michigan ~~jobs commission~~
26 **STRATEGIC FUND**. After the form of the application is specified by
27 the Michigan ~~jobs commission~~ **STRATEGIC FUND**, the Michigan ~~jobs~~

1 ~~commission~~ **STRATEGIC FUND** shall file a copy of the application
2 with each house of the legislature. The board may request any
3 information from an applicant, in addition to that contained in an
4 application, as may be needed to permit the board to discharge its
5 responsibilities under this act.