

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:

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

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

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

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

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

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

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

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

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

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

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

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

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

(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.