

**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
9 geographic boundaries and the total area of the renaissance zone as

1 submitted in the application.

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

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

10 (5) The designation of a renaissance zone under this act shall
11 take effect on January 1 in the year following designation.
12 However, for purposes of the taxes exempted under section 9(2), the
13 designation of a renaissance zone under this act shall take effect
14 on December 31 in the year of designation.

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

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

1 designation of that renaissance zone.

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

20 (9) A business that is located and conducts business activity
21 within a renaissance zone designated under section 8(1) and (2),
22 8a(1) and (3), 8c(1), or 8d(1) shall not make a payment in lieu of
23 taxes to any taxing jurisdiction within the qualified local
24 governmental unit in which the renaissance zone is located.

25 **(10) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, BEFORE**
26 **JULY 1, 2006, A QUALIFIED LOCAL GOVERNMENTAL UNIT IN WHICH A**
27 **RENAISSANCE ZONE OF LESS THAN 50 CONTIGUOUS ACRES BUT MORE THAN 20**

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

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

1 PROPERTY SHALL BECOME PART OF THE ORIGINAL RENAISSANCE ZONE ON THE
2 SAME TERMS AND CONDITIONS AS THE REST OF THE PROPERTY IN THAT
3 RENAISSANCE ZONE.

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

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

1 determined by the board of the Michigan strategic fund. Not later
2 than April 16, 2004, the board of the Michigan strategic fund may
3 designate not more than 1 of the ~~6~~ 8 additional renaissance zones
4 described in this subsection as a pharmaceutical renaissance zone.
5 A pharmaceutical renaissance zone shall promote and increase the
6 research, development, and manufacturing of pharmaceutical products
7 of an eligible pharmaceutical company. The board of the Michigan
8 strategic fund may designate not more than ~~1~~ 2 of the additional
9 ~~6~~ 8 renaissance zones described in this subsection as a
10 redevelopment renaissance zone. A redevelopment renaissance zone
11 shall promote the redevelopment of existing industrial facilities.
12 Before designating a renaissance zone under this subsection, the
13 board of the Michigan strategic fund may enter into a development
14 agreement with the city, township, or village in which the
15 renaissance zone will be located.

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

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

26 (5) Notwithstanding any other provision of this act, property
27 located in the alternative energy zone that is classified as

commercial real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the concurrence of the assessor of the local tax collecting unit, determines is not used to directly promote and increase the research, development, and manufacturing of alternative energy technology is not eligible for any exemption, deduction, or credit under section 9.

(6) As used in this section:

(a) "Eligible pharmaceutical company" means a company that 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**

1 OF MORE THAN 1,000,000 AND LESS THAN 1,300,000.

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