

SUBSTITUTE FOR
SENATE BILL NO. 1078

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 2006 PA 116, 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.

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

3 (i) A county.

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

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

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

11 (J) "RENEWABLE ENERGY FACILITY" MEANS A SYSTEM THAT CREATES
12 ENERGY FROM A PROCESS USING RESIDUES FROM AGRICULTURAL PRODUCTS,
13 FOREST PRODUCTS, PAPER PRODUCTS INDUSTRIES, AND FOOD PRODUCTION AND
14 PROCESSING; TREES AND GRASSES GROWN SPECIFICALLY TO BE USED AS
15 ENERGY CROPS; AND GASEOUS FUELS PRODUCED FROM SOLID BIOMASS, ANIMAL
16 WASTES, <<WIND CONVERSION DEVICE, PHOTOVOLTAIC CELLS,>> OR LANDFILLS.

17 (K) ~~—(j)—~~ "Residential rental property" means that term as
18 defined in section 7ff of the general property tax act, 1893 PA
19 206, MCL 211.7ff.

20 (L) ~~—(k)—~~ "Review board" means the renaissance zone review
21 board created in section 5.

22 (M) ~~—(l)—~~ "Rural area" means an area that lies outside of the
23 boundaries of an urban area.

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

27 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 (10) Notwithstanding any other provisions of this act, before
7 July 1, 2006, a qualified local governmental unit in which a
8 renaissance zone of less than 50 contiguous acres but more than 20
9 contiguous acres was designated under section 8 or 8a as a
10 renaissance zone in a city located in a county with a population of
11 more than 160,000 and less than 170,000 may modify the boundaries
12 of that renaissance zone to include a contiguous parcel of property
13 as determined by the qualified local governmental unit. The
14 contiguous parcel of property shall only include property that is
15 less than 12 acres in size. The additional contiguous parcel of
16 property included in a renaissance zone under this subsection does
17 not constitute an additional distinct geographic area under section
18 4(1)(d). If the boundaries of the renaissance zone are modified as
19 provided in this subsection, the additional contiguous parcel of
20 property shall become part of the original renaissance zone on the
21 same terms and conditions as the rest of the property in that
22 renaissance zone.

23 (11) Notwithstanding any other provisions of this act, before
24 July 1, 2006, a qualified local governmental unit in which a
25 renaissance zone of more than 500 acres was designated under
26 section 8 or 8a as a renaissance zone in a county with a population
27 of more than 61,000 and less than 64,000 may modify the boundaries

1 of that renaissance zone to include a contiguous parcel of property
2 as determined by the qualified local governmental unit. The
3 contiguous parcel of property shall only include property that is
4 less than 12 acres in size. The additional contiguous parcel of
5 property included in a renaissance zone under this subsection does
6 not constitute an additional distinct geographic area under section
7 4(1)(d). If the boundaries of the renaissance zone are modified as
8 provided in this subsection, the additional contiguous parcel of
9 property shall become part of the original renaissance zone on the
10 same terms and conditions as the rest of the property in that
11 renaissance zone.

12 (12) Notwithstanding any other provisions of this act, before
13 July 1, 2006, a qualified local governmental unit in which a
14 renaissance zone of more than 137 acres was designated under
15 section 8 or 8a as a renaissance zone in a county with a population
16 of more than 61,000 and less than 63,000 may modify the boundaries
17 of that renaissance zone to include a parcel of property that is
18 separated from the existing renaissance zone by a roadway as
19 determined by the qualified local governmental unit. The parcel of
20 property shall only include property that is less than 67 acres in
21 size. The additional contiguous parcel of property included in a
22 renaissance zone under this subsection does not constitute an
23 additional distinct geographic area under section 4(1)(d). If the
24 boundaries of the renaissance zone are modified as provided in this
25 subsection, the additional contiguous parcel of property shall
26 become part of the original renaissance zone on the same terms and
27 conditions as the rest of the property in that renaissance zone.

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

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

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

23 **SEC. 8E. (1) THE BOARD, UPON RECOMMENDATION OF THE BOARD OF**
24 **THE MICHIGAN STRATEGIC FUND DEFINED IN SECTION 4 OF THE MICHIGAN**
25 **STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004, MAY DESIGNATE NOT**
26 **MORE THAN 10 ADDITIONAL RENAISSANCE ZONES FOR RENEWABLE ENERGY**
27 **FACILITIES WITHIN THIS STATE IN 1 OR MORE CITIES, VILLAGES, OR**

1 TOWNSHIPS IF THAT CITY, VILLAGE, OR TOWNSHIP OR COMBINATION OF
2 CITIES, VILLAGES, OR TOWNSHIPS CONSENTS TO THE CREATION OF A
3 RENAISSANCE ZONE FOR A RENEWABLE ENERGY FACILITY WITHIN THEIR
4 BOUNDARIES.

5 (2) EACH RENAISSANCE ZONE DESIGNATED FOR A RENEWABLE ENERGY
6 FACILITY UNDER THIS SECTION SHALL BE 1 CONTINUOUS DISTINCT
7 GEOGRAPHIC AREA.

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

12 (A) FAILS TO COMMENCE OPERATION.

13 (B) CEASES OPERATION.

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

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

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

21 (B) THE CREATION OF JOBS RELATIVE TO THE EMPLOYMENT BASE OF
22 THE COMMUNITY RATHER THAN THE STATIC NUMBER OF JOBS CREATED.

23 (C) THE VIABILITY OF THE PROJECT.

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

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

1 (F) WHETHER THE RENEWABLE ENERGY FACILITY CAN BE LOCATED IN AN
2 EXISTING RENAISSANCE ZONE DESIGNATED UNDER SECTION 8 OR 8A.

3 (5) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
4 ADDED THIS SUBSECTION, THE BOARD SHALL REQUIRE A DEVELOPMENT
5 AGREEMENT BETWEEN THE MICHIGAN STRATEGIC FUND AND THE RENEWABLE
6 ENERGY FACILITY.

7 (6) AS USED IN THIS SECTION, "DEVELOPMENT AGREEMENT" MEANS A
8 WRITTEN AGREEMENT BETWEEN THE MICHIGAN STRATEGIC FUND AND THE
9 RENEWABLE ENERGY FACILITY THAT INCLUDES, BUT IS NOT LIMITED TO, ALL
10 OF THE FOLLOWING:

11 (A) A REQUIREMENT THAT THE RENEWABLE ENERGY FACILITY COMPLY
12 WITH ALL STATE AND LOCAL LAWS.

13 (B) A REQUIREMENT THAT THE RENEWABLE ENERGY FACILITY REPORT
14 ANNUALLY TO THE MICHIGAN STRATEGIC FUND ON ALL OF THE FOLLOWING:

15 (i) THE AMOUNT OF CAPITAL INVESTMENT MADE AT THE FACILITY.

16 (ii) THE NUMBER OF INDIVIDUALS EMPLOYED AT THE FACILITY AT THE
17 BEGINNING AND END OF THE REPORTING PERIOD AS WELL AS THE NUMBER OF
18 INDIVIDUALS TRANSFERRED TO THE FACILITY FROM ANOTHER FACILITY OWNED
19 BY THE RENEWABLE ENERGY FACILITY.

20 (iii) THE PERCENTAGE OF RAW MATERIALS PURCHASED IN THIS STATE.

21 (C) ANY OTHER CONDITIONS OR REQUIREMENTS REASONABLY REQUIRED
22 BY THE MICHIGAN STRATEGIC FUND.