

# SENATE BILL No. 919

December 1, 2005, Introduced by Senators BIRKHOLZ, JELINEK, GARCIA, VAN WOERKOM, STAMAS, JOHNSON, ALLEN and GILBERT and referred to the Committee on Agriculture, Forestry and Tourism.

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 2000 PA 259, 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) "FOREST PRODUCTS PROCESSING FACILITY" MEANS 1 OR MORE**  
24 **FACILITIES OR OPERATIONS THAT HARVEST, TRANSFORM, PACKAGE, SORT, OR**  
25 **GRADE FOREST PRODUCTS INTO GOODS THAT ARE USED FOR INTERMEDIATE OR**  
26 **FINAL USE OR CONSUMPTION, AND SURROUNDING PROPERTY.**

27 **(F) —(e)— "Local governmental unit" means a county, city,**

1 village, or township.

2 (G) ~~—(f)—~~ "Person" means an individual, partnership,  
3 corporation, association, limited liability company, governmental  
4 entity, or other legal entity.

5 (H) ~~—(g)—~~ "Qualified local governmental unit" means either of  
6 the following:

7 (i) A county.

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

11 (I) ~~—(h)—~~ "Renaissance zone" means a geographic area  
12 designated under this act.

13 (J) ~~—(i)—~~ "Residential rental property" means that term as  
14 defined in section 7ff of the general property tax act, 1893 PA  
15 206, MCL 211.7ff.

16 (K) ~~—(j)—~~ "Review board" means the renaissance zone review  
17 board created in section 5.

18 (L) ~~—(k)—~~ "Rural area" means an area that lies outside of the  
19 boundaries of an urban area.

20 (M) ~~—(l)—~~ "Urban area" means an urbanized area as determined by  
21 the economics and statistics administration, United States bureau  
22 of the census according to the 1990 census.

23 Sec. 6. (1) The board shall review all recommendations  
24 submitted by the review board and determine which applications meet  
25 the criteria contained in section 7.

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

27 (a) Designate renaissance zones.

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

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

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

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

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

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

21           (7) Through December 31, 2002, a qualified local governmental  
22 unit in which a renaissance zone was designated under section 8 or  
23 8a may modify the boundaries of that renaissance zone to include  
24 contiguous parcels of property as determined by the qualified local  
25 governmental unit and approval by the review board. The additional  
26 contiguous parcels of property included in a renaissance zone under  
27 this subsection do not constitute an additional distinct geographic

1 area under section 4(1)(d). If the boundaries of the renaissance  
2 zone are modified as provided in this subsection, the additional  
3 contiguous parcels of property shall become part of the original  
4 renaissance zone on the same terms and conditions as the original  
5 designation of that renaissance zone.

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

24 (9) A business that is located and conducts business activity  
25 within a renaissance zone designated under section 8(1) and (2),  
26 8a(1) and (3), 8c(1), ~~or~~ 8d(1), **OR 8E** shall not make a payment in  
27 lieu of taxes to any taxing jurisdiction within the qualified local

1 governmental unit in which the renaissance zone is located.

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

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

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

24       **SEC. 8E. (1) THE BOARD, UPON RECOMMENDATION OF THE BOARD OF**  
25 **THE MICHIGAN STRATEGIC FUND DEFINED IN SECTION 4 OF THE MICHIGAN**  
26 **STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004, MAY DESIGNATE NOT**  
27 **MORE THAN 20 ADDITIONAL RENAISSANCE ZONES FOR FOREST PRODUCTS**

1 PROCESSING FACILITIES WITHIN THIS STATE IN 1 OR MORE CITIES,  
2 VILLAGES, OR TOWNSHIPS IF THAT CITY, VILLAGE, OR TOWNSHIP OR  
3 COMBINATION OF CITIES, VILLAGES, OR TOWNSHIPS CONSENTS TO THE  
4 CREATION OF A RENAISSANCE ZONE FOR A FOREST PRODUCTS PROCESSING  
5 FACILITY WITHIN THEIR BOUNDARIES. THE BOARD SHALL DESIGNATE NOT  
6 MORE THAN 5 RENAISSANCE ZONES FOR A FOREST PRODUCTS PROCESSING  
7 FACILITY EACH YEAR UNTIL THE MAXIMUM NUMBER OF RENAISSANCE ZONES  
8 FOR A FOREST PRODUCTS PROCESSING FACILITY IS MET.

9 (2) EACH RENAISSANCE ZONE DESIGNATED FOR A FOREST PRODUCTS  
10 PROCESSING FACILITY UNDER THIS SECTION SHALL BE 1 CONTINUOUS  
11 DISTINCT GEOGRAPHIC AREA.

12 (3) THE BOARD MAY REVOKE THE DESIGNATION OF ALL OR A PORTION  
13 OF A RENAISSANCE ZONE FOR A FOREST PRODUCTS PROCESSING FACILITY IF  
14 THE BOARD DETERMINES THAT THE FOREST PRODUCTS PROCESSING FACILITY  
15 FAILS TO COMMENCE OPERATION OR CEASES OPERATION IN A RENAISSANCE  
16 ZONE DESIGNATED UNDER THIS SECTION.