

SENATE BILL No. 922

December 1, 2005, Introduced by Senators SIKKEMA and HARDIMAN and referred to the Committee on Commerce and Labor.

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

26 (2) The board of the Michigan strategic fund described in
27 section 4 of the Michigan strategic fund act, 1984 PA 270, MCL

1 125.2004, may designate not more than ~~6~~ 7 additional renaissance
2 zones within this state in 1 or more cities, villages, or townships
3 if that city, village, or township or combination of cities,
4 villages, or townships consents to the creation of a renaissance
5 zone within their boundaries. The board of the Michigan strategic
6 fund may designate not more than 1 of the ~~6~~ 7 additional
7 renaissance zones described in this subsection as an alternative
8 energy zone. An alternative energy zone shall promote and increase
9 the research, development, and manufacturing of alternative energy
10 technology as that term is defined in the Michigan next energy
11 authority act. An alternative energy zone shall have a duration of
12 renaissance zone status for a period not to exceed 20 years as
13 determined by the board of the Michigan strategic fund. Not later
14 than April 16, 2004, the board of the Michigan strategic fund may
15 designate not more than 1 of the ~~6~~ 7 additional renaissance zones
16 described in this subsection as a pharmaceutical renaissance zone.
17 A pharmaceutical renaissance zone shall promote and increase the
18 research, development, and manufacturing of pharmaceutical products
19 of an eligible pharmaceutical company. The board of the Michigan
20 strategic fund may designate ~~not more than 1~~ 2 of the additional
21 ~~6~~ 7 renaissance zones described in this subsection as a
22 redevelopment renaissance zone. A redevelopment renaissance zone
23 shall promote the redevelopment of existing industrial facilities.
24 Before designating a renaissance zone under this subsection, the
25 board of the Michigan strategic fund may enter into a development
26 agreement with the city, township, or village in which the
27 renaissance zone will be located.

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

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

11 (5) Notwithstanding any other provision of this act, property
12 located in the alternative energy zone that is classified as
13 commercial real property under section 34c of the general property
14 tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the
15 concurrence of the assessor of the local tax collecting unit,
16 determines is not used to directly promote and increase the
17 research, development, and manufacturing of alternative energy
18 technology is not eligible for any exemption, deduction, or credit
19 under section 9.

20 (6) As used in this section:

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

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

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

27 (iii) Of the total number of employees located in this state,

1 has not less than 5,000 engaged primarily in research and
2 development of pharmaceuticals.

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

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

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

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

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

11 (A) **IS LOCATED IN A CITY WITH A POPULATION OF MORE THAN**
12 **185,000 AND LESS THAN 200,000.**

13 (B) **CONTAINS AN INDUSTRIAL SITE OF 150 OR MORE ACRES.**