

SENATE BILL No. 1078

February 23, 2006, Introduced by Senators PATTERSON, BROWN, CROPSEY, GILBERT, ALLEN, BISHOP, JELINEK, BIRKHOLZ, TOY, KUIPERS, SIKKEMA, HAMMERSTROM, GARCIA, GOSCHKA, VAN WOERKOM, JOHNSON, OLSHOVE, LELAND, CHERRY and THOMAS and referred to the Committee on Technology and Energy.

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 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
7 surrounding property.

1 (b) "Board" means the state administrative board created in
2 1921 PA 2, MCL 17.1 to 17.3.

3 (c) "Development plan" means a written plan that addresses the
4 criteria in section 7 and includes all of the following:

5 (i) A map of the proposed renaissance zone that indicates the
6 geographic boundaries, the total area, and the present use and
7 conditions generally of the land and structures within those
8 boundaries.

9 (ii) Evidence of community support and commitment from
10 residential and business interests.

11 (iii) A description of the methods proposed to increase economic
12 opportunity and expansion, facilitate infrastructure improvement,
13 and identify job training opportunities.

14 (iv) Current social, economic, and demographic characteristics
15 of the proposed renaissance zone and anticipated improvements in
16 education, health, human services, public safety, and employment if
17 the renaissance zone is created.

18 (v) Any other information required by the board.

19 (d) "Elected county executive" means the elected county
20 executive in a county organized under 1966 PA 293, MCL 45.501 to
21 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

22 (e) "Local governmental unit" means a county, city, village,
23 or township.

24 (f) "Person" means an individual, partnership, corporation,
25 association, limited liability company, governmental entity, or
26 other legal entity.

27 (g) "Qualified local governmental unit" means either of the

1 following:

2 (i) A county.

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

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

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

10 (J) "RENEWABLE ENERGY FACILITY" MEANS A SYSTEM THAT CREATES
11 ENERGY FROM A PROCESS USING RESIDUES FROM CORN, SOYBEANS, WOOD,
12 PAPER PRODUCTS INDUSTRIES, AND FOOD PRODUCTION AND PROCESSING;
13 TREES AND GRASSES GROWN SPECIFICALLY TO BE USED AS ENERGY CROPS;
14 AND GASEOUS FUELS PRODUCED FROM SOLID BIOMASS, ANIMAL WASTES,
15 MUNICIPAL WASTES, OR LANDFILLS.

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

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

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

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

26 Sec. 6. (1) The board shall review all recommendations
27 submitted by the review board and determine which applications meet

1 the criteria contained in section 7.

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

3 (a) Designate renaissance zones.

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

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

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

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

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

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

24 (7) Through December 31, 2002, a qualified local governmental
25 unit in which a renaissance zone was designated under section 8 or
26 8a may modify the boundaries of that renaissance zone to include
27 contiguous parcels of property as determined by the qualified local

1 governmental unit and approval by the review board. The additional
2 contiguous parcels of property included in a renaissance zone under
3 this subsection do not constitute an additional distinct geographic
4 area under section 4(1)(d). If the boundaries of the renaissance
5 zone are modified as provided in this subsection, the additional
6 contiguous parcels of property shall become part of the original
7 renaissance zone on the same terms and conditions as the original
8 designation of that renaissance zone.

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

27 (9) A business that is located and conducts business activity

1 within a renaissance zone designated under section 8(1) and (2),
2 8a(1) and (3), 8c(1), ~~or~~ 8d(1), **OR 8E** shall not make a payment in
3 lieu of taxes to any taxing jurisdiction within the qualified local
4 governmental unit in which the renaissance zone is located.

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

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

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

27 **SEC. 8E. (1) THE BOARD, UPON RECOMMENDATION OF THE BOARD OF**

1 THE MICHIGAN STRATEGIC FUND DEFINED IN SECTION 4 OF THE MICHIGAN
2 STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004, MAY DESIGNATE NOT
3 MORE THAN 10 ADDITIONAL RENAISSANCE ZONES FOR RENEWABLE ENERGY
4 FACILITIES WITHIN THIS STATE IN 1 OR MORE CITIES, VILLAGES, OR
5 TOWNSHIPS IF THAT CITY, VILLAGE, OR TOWNSHIP OR COMBINATION OF
6 CITIES, VILLAGES, OR TOWNSHIPS CONSENTS TO THE CREATION OF A
7 RENAISSANCE ZONE FOR A RENEWABLE ENERGY FACILITY WITHIN THEIR
8 BOUNDARIES.

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

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

16 (A) FAILS TO COMMENCE OPERATION.

17 (B) CEASES OPERATION.

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

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

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

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

27 (C) THE VIABILITY OF THE PROJECT.

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

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