

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5600**

[A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 4 and 8a (MCL 125.2684 and 125.2688a), section
4 as amended by 2006 PA 440 and section 8a as amended by 2006 PA 476.]

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) One or more qualified local governmental units may
2 apply to the review board to designate the qualified local
3 governmental unit or units as a renaissance zone if all of the
4 following criteria are met:

5 (a) The geographic area of the proposed renaissance zone is
6 located within the boundaries of the qualified local governmental
7 unit or units that apply.

1 (b) The application includes a development plan.

2 (c) The proposed renaissance zone is not more than 5,000 acres
3 in size.

4 (d) The renaissance zone does not contain more than 10
5 distinct geographic areas. Except as otherwise provided in this
6 subdivision, the minimum size of a distinct geographic area is not
7 less than 5 acres. A qualified local governmental unit or units may
8 designate not more than ~~4~~8 distinct geographic areas in each
9 renaissance zone to have no minimum size requirement.

10 (e) The application includes the proposed duration of
11 renaissance zone status, not to exceed 15 years, except as
12 otherwise provided in this section.

13 (f) If the qualified local governmental unit has an elected
14 county executive, the county executive's written approval of the
15 application.

16 (g) If the qualified local governmental unit is a city, that
17 city's mayor's written approval of the application.

18 (2) A qualified local governmental unit may submit not more
19 than 1 application to the review board for designation as a
20 renaissance zone. A resolution provided by a city, village, or
21 township under section 7(2) does not constitute an application of a
22 city, village, or township for a renaissance zone under this act.

23 (3) For a distinct geographic area described in subsection
24 (1)(d), a village may include publicly owned land within the
25 boundaries of any distinct geographic area.

26 (4) Beginning December 1, 2006 through December 31, 2011, a
27 qualified local governmental unit or units in which a renaissance

1 zone was designated under section 8 or 8a(1) or (3) may designate
2 additional distinct geographic areas not to exceed a total of 10
3 distinct geographic areas upon application to and approval by the
4 board of the Michigan strategic fund if the distinct geographic
5 area is located in an eligible distressed area as defined in
6 section 11 of the state housing development authority act of 1966,
7 1966 PA 346, MCL 125.1411, or is contiguous to an eligible
8 distressed area, and if the additional distinct geographic area
9 will increase capital investment ~~and~~ **OR** job creation. The duration
10 of renaissance zone status for the additional distinct geographic
11 areas shall not exceed 15 years.

12 (5) Through December 31, 2002, if a qualified local
13 governmental unit or units designate additional distinct geographic
14 areas in a renaissance zone under subsection (4), the qualified
15 local governmental unit or units may extend the duration of the
16 renaissance zone status of 1 or more distinct geographic areas in
17 that renaissance zone until 2017 upon application to and approval
18 by the board.

19 (6) Through December 31, 2002, a qualified local governmental
20 unit or units in which a renaissance zone was designated under
21 section 8 or 8a may, upon application to and approval by the board,
22 seek to extend the duration of renaissance zone status until 2017.
23 Upon application, the board may extend the duration of renaissance
24 zone status.

25 (7) Through December 31, 2011, a qualified local governmental
26 unit or units in which a renaissance zone was designated under
27 section 8 or 8a(1) or (3) ~~that has not experienced significant~~

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1 ~~development~~ may, upon application to and approval by the board of
2 the Michigan strategic fund, seek to extend the duration of
3 renaissance zone status for 1 or more portions of the renaissance
4 zone IF THAT ZONE OR PORTION OF A ZONE IS IN EXISTENCE AS OF MARCH
5 15, 2008, [] IF THE EXTENSION WILL INCREASE CAPITAL INVESTMENT OR
6 JOB CREATION[, AND THE COUNTY IN WHICH THE PORTION OR PORTIONS OF THE
7 RENAISSANCE ZONE ARE LOCATED CONSENTS TO EXTEND THE DURATION OF
8 RENAISSANCE ZONE STATUS]. The board of the Michigan strategic fund may
9 extend
10 renaissance zone status for 1 or more portions of the renaissance
11 zone under this subsection for a period of time not to exceed 15
12 years from the date of the application to the board of the Michigan
13 strategic fund under this subsection. **HOWEVER, BEGINNING ON THE**
14 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE, IF**
15 **THE BOARD OF THE MICHIGAN STRATEGIC FUND EXTENDS THE DURATION OF 1**
16 **OR MORE PORTIONS OF A RENAISSANCE ZONE UNDER THIS SUBSECTION, THE**
17 **BOARD OF THE MICHIGAN STRATEGIC FUND MAY REVOKE THAT EXTENSION IF**
18 **THE BOARD DETERMINES THAT INCREASED CAPITAL INVESTMENT OR JOB**
19 **CREATION WILL NOT BEGIN WITHIN 1 YEAR OF THE GRANTING OF THE**
20 **EXTENSION OR OTHERWISE VIOLATES THE TERMS OF THE WRITTEN**
21 **DEVELOPMENT AGREEMENT BETWEEN THE OWNER OF THE REAL PROPERTY AND**
22 **THE BOARD OF THE MICHIGAN STRATEGIC FUND. ONLY THE QUALIFIED LOCAL**
23 **GOVERNMENTAL UNIT THAT IS REQUESTING THE EXTENSION OF TIME MAY**
24 **SUBMIT THE APPLICATION. IF THE BOARD OF THE MICHIGAN STRATEGIC FUND**
25 **EXTENDS THE DURATION OF 1 OR MORE PORTIONS OF A RENAISSANCE ZONE,**
26 **THE BOARD OF THE MICHIGAN STRATEGIC FUND SHALL ENTER INTO A WRITTEN**
27 **DEVELOPMENT AGREEMENT WITH THE OWNER OF ALL REAL PROPERTY LOCATED**
WITHIN THE BOUNDARIES OF THE PORTIONS OF THE RENAISSANCE ZONE WHOSE
DURATION HAS BEEN EXTENDED. THE WRITTEN DEVELOPMENT AGREEMENT SHALL
INCLUDE, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

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- 1 (A) THE DURATION OF THE EXTENSION.
 2 (B) THE CONDITIONS UNDER WHICH THE EXTENSION IS GRANTED.
 3 (C) THE AMOUNT OF CAPITAL INVESTMENT.
 4 (D) THE NUMBER OF JOBS TO BE CREATED.
 5 (E) ANY OTHER CONDITIONS OR REQUIREMENTS REASONABLY REQUIRED
 6 BY THE BOARD OF THE MICHIGAN STRATEGIC FUND.

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

17 (2) The board of the Michigan strategic fund described in
 18 section 4 of the Michigan strategic fund act, 1984 PA 270, MCL
 19 125.2004, may designate not more than ~~13~~<<17>> additional renaissance
 20 zones within this state in 1 or more cities, villages, or townships
 21 if that city, village, or township or combination of cities,
 22 villages, or townships consents to the creation of a renaissance
 23 zone within their boundaries. The board of the Michigan strategic
 24 fund may designate not more than 1 of the ~~13~~<<17>> additional
 25 renaissance zones described in this subsection as an alternative
 26 energy zone. An alternative energy zone shall promote and increase
 27 the research, development, testing, and manufacturing of

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1 alternative energy technology, alternative energy systems, and
 2 alternative energy vehicles, as those terms are defined in the
 3 Michigan next energy authority act, 2002 PA 593, MCL 207.821 to
 4 207.827. An alternative energy zone shall have a duration of
 5 renaissance zone status for a period not to exceed 20 years as
 6 determined by the board of the Michigan strategic fund. ~~<<Not later
 7 than April 16, 2004, the board of the Michigan strategic fund may
 8 designate not more than 1 of the 13 additional renaissance zones
 9 described in this subsection as a pharmaceutical renaissance zone.
 10 A pharmaceutical renaissance zone shall promote and increase the
 11 research, development, and manufacturing of pharmaceutical products
 12 of an eligible pharmaceutical company.>>~~ The board of the Michigan
 13 strategic fund may designate not more than 8 of the additional ~~13~~
 14 ~~<<17>>~~ renaissance zones described in this subsection as a
 15 redevelopment renaissance zone. A redevelopment renaissance zone
 16 shall promote the redevelopment of existing industrial facilities
 17 or the development of property for industrial purposes. **<<THE BOARD OF
 THE MICHIGAN STRATEGIC FUND MAY DESIGNATE NOT MORE THAN 1 OF THE 17
 ADDITIONAL RENAISSANCE ZONES DESCRIBED IN THIS SUBSECTION AS A
 PHARMACEUTICAL RECOVERY RENAISSANCE ZONE. A PHARMACEUTICAL RECOVERY
 RENAISSANCE ZONE SHALL PROMOTE THE DEVELOPMENT OR REDEVELOPMENT OF
 EXISTING UNDERUTILIZED FACILITIES CURRENTLY OCCUPIED OR FORMERLY OCCUPIED
 BY A PHARMACEUTICAL COMPANY.>>** Before
 18 designating a renaissance zone under this subsection, the board of
 19 the Michigan strategic fund may enter into a development agreement
 20 with the city, township, or village in which the renaissance zone
 21 will be located and the owner or developer of the facility or
 22 property located in the renaissance zone. The development agreement
 23 for a redevelopment renaissance zone described only in subsection
 24 (6) (b) (vi) or (vii) may provide for the payment of 1 or more of the
 25 taxes described in section 9.

26 (3) In addition to the not more than 9 additional renaissance
 27 zones described in subsection (1), the board may designate

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1 additional renaissance zones within this state in 1 or more
2 qualified local governmental units if that qualified local
3 governmental unit or units contain a military installation that was
4 operated by the United States department of defense and was closed
5 in 1977 or after 1990.

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

9 (5) Notwithstanding any other provision of this act, property
10 located in the alternative energy zone that is classified as
11 commercial real property under section 34c of the general property
12 tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the
13 concurrence of the assessor of the local tax collecting unit,
14 determines is not used to directly promote and increase the
15 research, development, testing, and manufacturing of alternative
16 energy technology, alternative energy systems, and alternative
17 energy vehicles as those terms are defined in the Michigan next
18 energy authority act, 2002 PA 593, MCL 207.821 to 207.827, is not
19 eligible for any exemption, deduction, or credit 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 8,499 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,~~

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1 ~~has not less than 4,800 engaged primarily in research and~~
 2 ~~development of pharmaceuticals.>>~~

<<(A) "PHARMACEUTICAL RECOVERY RENAISSANCE ZONE" MEANS A
 RENAISSANCE ZONE THAT INCLUDES A GEOGRAPHIC AREA THAT IS LOCATED IN 1 OR
 BOTH OF THE FOLLOWING:

(i) IN A CITY WITH A POPULATION OF MORE THAN 70,000 AND LESS THAN
 85,000 AND IN A COUNTY WITH A POPULATION OF MORE THAN 235,000 AND LESS
 THAN 250,000.

(ii) IN A CITY WITH A POPULATION OF MORE THAN 42,000 AND LESS THAN
 55,000 AND IN A COUNTY WITH A POPULATION OF MORE THAN 235,000 AND LESS
 THAN 250,000.>>

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

5 (i) All of the following:

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

9 (B) Contains only all or a portion of an industrial site of
 10 200 or more acres.

11 (ii) All of the following:

12 (A) Is located in a city with a population of more than 13,000
 13 and less than 14,000 and is located in a county with a population
 14 of more than 1,000,000 and less than 1,300,000.

15 (B) Contains only all or a portion of an industrial site of
 16 300 or more contiguous acres.

17 (iii) All of the following:

18 (A) Is located in a township with a population of more than
 19 5,500 and is located in a county with a population of less than
 20 24,000.

21 (B) Contains only all or a portion of an industrial site of
 22 more than 850 acres and has railroad access.

23 (iv) All of the following:

24 (A) Is located in a city with a population of more than 40,000
 25 and less than 44,000 and is located in a county with a population
 26 of more than 81,000 and less than 87,000.

27 (B) Contains only all or a portion of an industrial site of

1 more than 475 acres.

2 (v) All of the following:

3 (A) Is located in a city with a population of more than 21,000
4 and less than 26,000 and is located in a county with a population
5 of more than 573,000 and less than 625,000.

6 (B) Contains only all or a portion of an industrial site of
7 less than 45 acres in size.

8 (vi) All of the following:

9 (A) Is located in a city with a population of more than
10 190,000 and less than 250,000 and is located in a county with a
11 population of more than 573,000 and less than 625,000.

12 (B) Contains only all or a portion of an industrial site of
13 more than 14 acres and less than 16 acres in size.

14 (C) Is approved by the board of the Michigan strategic fund on
15 or before April 1, 2007.

16 (vii) All of the following:

17 (A) Is located in a city with a population of more than 35,500
18 and less than 36,800 and is located in a county with a population
19 of more than 157,000 and less than 162,000.

20 (B) Contains only all or a portion of an industrial site
21 comprised of 1 or more adjacent parcels totaling 5 or more acres.

22 (C) Is approved by the board of the Michigan strategic fund on
23 or before April 1, 2007.

24 (viii) All of the following:

25 (A) Is located in a city with a population of more than 40,000
26 and less than 44,000 and is located in a county with a population
27 of more than 81,000 and less than 87,000.

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1 (B) Contains only all or a portion of an industrial site
2 composed of 1 or more adjacent parcels totaling 100 or more acres.

3 (C) Is approved by the board of the Michigan strategic fund on
4 or before April 1, 2008.

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Enacting section 1. This amendatory act does not take effect

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unless Senate Bill No. 885 of the 94th Legislature is enacted into

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law.