

SUBSTITUTE FOR
SENATE BILL NO. 1206

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 6 and 10 (MCL 125.2686 and 125.2690), section
6 as amended by 2006 PA 304 and section 10 as amended by 2008 PA
117.

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

1 of renaissance zone status.

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

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

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

13 (5) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE**
14 designation of a renaissance zone under this act shall take effect
15 on January 1 in the year following designation. However, for
16 purposes of the taxes exempted under section 9(2), the designation
17 of a renaissance zone under this act shall take effect on December
18 31 in the year of designation. **FOR DESIGNATIONS MADE PURSUANT TO**
19 **SECTION 8A(2), THE BOARD OF THE MICHIGAN STRATEGIC FUND MAY CHOOSE**
20 **A BEGINNING DATE, PROVIDED THAT THE DATE MUST BE JANUARY 1 OF A**
21 **YEAR AND MUST NOT BE MORE THAN 5 YEARS AFTER THE DATE OF**
22 **DESIGNATION. THE BOARD OF THE MICHIGAN STRATEGIC FUND MAY PROVIDE**
23 **THAT THE JANUARY 1 BEGINNING DATE BE DETERMINED UNDER A WRITTEN**
24 **AGREEMENT BETWEEN THE BOARD OF THE MICHIGAN STRATEGIC FUND AND THE**
25 **QUALIFIED LOCAL GOVERNMENTAL UNIT IN WHICH THE RENAISSANCE ZONE IS**
26 **TO BE LOCATED. HOWEVER, FOR PURPOSES OF THE TAXES EXEMPTED UNDER**
27 **SECTION 9(2), THE DESIGNATION OF A RENAISSANCE ZONE UNDER SECTION**

1 8A(2) SHALL TAKE EFFECT ON DECEMBER 31 IN THE YEAR IMMEDIATELY
2 PRECEDING THE YEAR IN WHICH THE DESIGNATION UNDER SECTION 8A(2)
3 TAKES EFFECT.

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

6 (7) Through December 31, 2002, a qualified local governmental
7 unit in which a renaissance zone was designated under section 8 or
8 8a may modify the boundaries of that renaissance zone to include
9 contiguous parcels of property as determined by the qualified local
10 governmental unit and approval by the review board. The additional
11 contiguous parcels of property included in a renaissance zone under
12 this subsection do not constitute an additional distinct geographic
13 area under section 4(1)(d). If the boundaries of the renaissance
14 zone are modified as provided in this subsection, the additional
15 contiguous parcels of property shall become part of the original
16 renaissance zone on the same terms and conditions as the original
17 designation of that renaissance zone.

18 (8) Notwithstanding any other provisions of this act, before
19 July 1, 2004, a qualified local governmental unit in which a
20 renaissance zone was designated under section 8a(1) as a
21 renaissance zone located in a rural area may modify the boundaries
22 of that renaissance zone to include a contiguous parcel of property
23 as determined by the qualified local governmental unit. The
24 contiguous parcel of property shall only include property that is
25 less than .5 acres in size and that the qualified local
26 governmental unit previously sought to have included in the zone by
27 submitting an application in February 2002 that was not acted upon

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

9 (9) A business that is located and conducts business activity
10 within a renaissance zone designated under this act, except as
11 designated under section 8a(2), shall not make a payment in lieu of
12 taxes to any taxing jurisdiction within the qualified local
13 governmental unit in which the renaissance zone is located.

14 (10) Notwithstanding any other provisions of this act, before
15 July 1, 2006, a qualified local governmental unit in which a
16 renaissance zone of less than 50 contiguous acres but more than 20
17 contiguous acres was designated under section 8 or 8a as a
18 renaissance zone in a city located in a county with a population of
19 more than 160,000 and less than 170,000 may modify the boundaries
20 of that renaissance zone to include a contiguous parcel of property
21 as determined by the qualified local governmental unit. The
22 contiguous parcel of property shall only include property that is
23 less than 12 acres in size. The additional contiguous parcel of
24 property included in a renaissance zone under this subsection does
25 not constitute an additional distinct geographic area under section
26 4(1)(d). If the boundaries of the renaissance zone are modified as
27 provided in this subsection, the additional contiguous parcel of

1 property shall become part of the original renaissance zone on the
2 same terms and conditions as the rest of the property in that
3 renaissance zone.

4 (11) Notwithstanding any other provisions of this act, before
5 July 1, 2006, a qualified local governmental unit in which a
6 renaissance zone of more than 500 acres was designated under
7 section 8 or 8a as a renaissance zone in a county with a population
8 of more than 61,000 and less than 64,000 may modify the boundaries
9 of that renaissance zone to include a contiguous parcel of property
10 as determined by the qualified local governmental unit. The
11 contiguous parcel of property shall only include property that is
12 less than 12 acres in size. The additional contiguous parcel of
13 property included in a renaissance zone under this subsection does
14 not constitute an additional distinct geographic area under section
15 4(1)(d). If the boundaries of the renaissance zone are modified as
16 provided in this subsection, the additional contiguous parcel of
17 property shall become part of the original renaissance zone on the
18 same terms and conditions as the rest of the property in that
19 renaissance zone.

20 (12) Notwithstanding any other provisions of this act, before
21 July 1, 2006, a qualified local governmental unit in which a
22 renaissance zone of more than 137 acres was designated under
23 section 8 or 8a as a renaissance zone in a county with a population
24 of more than 61,000 and less than 63,000 may modify the boundaries
25 of that renaissance zone to include a parcel of property that is
26 separated from the existing renaissance zone by a roadway as
27 determined by the qualified local governmental unit. The parcel of

1 property shall only include property that is less than 67 acres in
2 size. The additional contiguous parcel of property included in a
3 renaissance zone under this subsection does not constitute an
4 additional distinct geographic area under section 4(1)(d). If the
5 boundaries of the renaissance zone are modified as provided in this
6 subsection, the additional contiguous parcel of property shall
7 become part of the original renaissance zone on the same terms and
8 conditions as the rest of the property in that renaissance zone.

9 Sec. 10. (1) An individual who is a resident of a renaissance
10 zone or a business that is located and conducts business activity
11 within a renaissance zone or a person that owns property located in
12 a renaissance zone is not eligible for the exemption, deduction, or
13 credit listed in section 9(1) or (2) for that taxable year if 1 or
14 more of the following apply:

15 (a) The resident, business, or property owner is delinquent on
16 December 31 of the prior tax year under 1 or more of the following:

17 (i) Former 1975 PA 228 or the Michigan business tax act, 2007
18 PA 36, MCL 208.1101 to 208.1601.

19 (ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to
20 206.532.

21 (iii) 1974 PA 198, MCL 207.551 to 207.572.

22 (iv) The commercial redevelopment act, 1978 PA 255, MCL 207.651
23 to 207.668.

24 (v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to
25 125.2123.

26 (vi) 1953 PA 189, MCL 211.181 to 211.182.

27 (vii) The technology park development act, 1984 PA 385, MCL

1 207.701 to 207.718.

2 (viii) Part 511 of the natural resources and environmental
3 protection act, 1994 PA 451, MCL 324.51101 to 324.51120.

4 (ix) The neighborhood enterprise zone act, 1992 PA 147, MCL
5 207.771 to 207.786.

6 (x) The city utility users tax act, 1990 PA 100, MCL 141.1151
7 to 141.1177.

8 (b) The resident, business, or property owner is substantially
9 delinquent as defined in a written policy by the qualified local
10 governmental unit in which the renaissance zone is located on
11 December 31 of the prior tax year under 1 or both of the following:

12 (i) The city income tax act, 1964 PA 284, MCL 141.501 to
13 141.787.

14 (ii) Taxes, fees, and special assessments collected under the
15 general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

16 (c) For residential rental property in a renaissance zone, the
17 residential rental property is not in substantial compliance with
18 all applicable state and local zoning, building, and housing laws,
19 ordinances, or codes and, except as otherwise provided in this
20 subdivision, the residential rental property owner has not filed an
21 affidavit before December 31 in the immediately preceding tax year
22 with the local tax collecting unit in which the residential rental
23 property is located as required under section 7ff of the general
24 property tax act, 1893 PA 206, MCL 211.7ff. Beginning December 31,
25 2004, a residential rental property owner is not required to file
26 an affidavit if the qualified local governmental unit in which the
27 residential rental property is located determines that the

1 residential rental property is in substantial compliance with all
2 applicable state and local zoning, building, and housing laws,
3 ordinances, and codes on December 31 of the immediately preceding
4 tax year.

5 (2) An individual who is a resident of a renaissance zone is
6 eligible for an exemption, deduction, or credit under section 9(1)
7 and (2) until the department of treasury determines that the
8 aggregate state and local tax revenue forgone as a result of all
9 exemptions, deductions, or credits granted under this act to that
10 individual reaches \$10,000,000.00.

11 (3) A casino located and conducting business activity within a
12 renaissance zone is not eligible for the exemption, deduction, or
13 credit listed in section 9(1) or (2). Real property in a
14 renaissance zone on which a casino is operated, personal property
15 of a casino located in a renaissance zone, and all property
16 associated or affiliated with the operation of a casino is not
17 eligible for the exemption, deduction, or credit listed in section
18 9(1) or (2). As used in this subsection, "casino" means a casino or
19 a parking lot, hotel, motel, or retail store owned or operated by a
20 casino, an affiliate, or an affiliated company, regulated by this
21 state pursuant to the Michigan gaming control and revenue act, 1996
22 IL 1, MCL 432.201 to 432.226.

23 (4) For tax years beginning on or after January 1, 1997, an
24 individual who is a resident of a renaissance zone shall not be
25 denied the exemption under subsection (1) if the individual failed
26 to file a return on or before December 31 of the prior tax year
27 under subsection (1)(a)(ii) and that individual was entitled to a

1 refund under that act.

2 (5) ~~For tax years beginning on or after January 1, 2006, a~~ **A**
3 business that is located and conducts business activity within a
4 renaissance zone shall not be denied the exemption under subsection
5 (1) if the business failed to file a return on or before December
6 31 of the prior tax year under subsection (1)(a)(i) and that
7 business had no tax liability under that act for the tax year for
8 which the return was not filed.