

# HOUSE BILL No. 5120

August 21, 2007, Introduced by Rep. Opsommer and referred to the Committee on Energy and Technology.

A bill to amend 1996 PA 376, entitled  
"Michigan renaissance zone act,"  
by amending section 3 (MCL 125.2683), as amended by 2006 PA 304,  
and by adding section 8g.

## 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, excluding forest products, into goods  
6 that are used for intermediate or final consumption including goods  
7 for nonfood use, and surrounding property.

8       (b) "Board" means the state administrative board created in

1 1921 PA 2, MCL 17.1 to 17.3.

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

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

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

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

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

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

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

21 (e) "Forest products processing facility" means 1 or more  
22 facilities or operations that transform, package, sort, recycle, or  
23 grade forest or paper products into goods that are used for  
24 intermediate or final use or consumption or for the creation of  
25 biomass or alternative fuels through the utilization of forest  
26 products or forest residue, and surrounding property. Forest  
27 products processing facility does not include an existing facility

1 or operation that is located in this state that relocates to a  
2 renaissance zone for a forest products processing facility. Forest  
3 products processing facility does not include a facility or  
4 operation that engages primarily in retail sales.

5 (F) "INTEGRATED COAL GASIFICATION FACILITY" MEANS A FACILITY  
6 THAT PRODUCES SYNTHESIS GAS FROM LOW OR NEGATIVE-VALUE CARBON-BASED  
7 FEEDSTOCKS, INCLUDING, BUT NOT LIMITED TO, COAL AND PETROLEUM COKE.

8 (G) ~~(f)~~—"Local governmental unit" means a county, city,  
9 village, or township.

10 (H) ~~(g)~~—"Person" means an individual, partnership,  
11 corporation, association, limited liability company, governmental  
12 entity, or other legal entity.

13 (I) ~~(h)~~—"Qualified local governmental unit" means either of  
14 the following:

15 (i) A county.

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

19 (J) ~~(i)~~—"Recovery zone" means a tool and die renaissance  
20 recovery zone created in section 8d.

21 (K) ~~(j)~~—"Renaissance zone" means a geographic area designated  
22 under this act.

23 (L) ~~(k)~~—"Renewable energy facility" means a system that creates  
24 energy from a process using residues from agricultural products,  
25 forest products, paper products industries, and food production and  
26 processing; trees and grasses grown specifically to be used as  
27 energy crops; and gaseous fuels produced from solid biomass, animal

1 wastes, or landfills.

2 (M) ~~(l)~~—"Residential rental property" means that term as  
3 defined in section 7ff of the general property tax act, 1893 PA  
4 206, MCL 211.7ff.

5 (N) ~~(m)~~—"Review board" means the renaissance zone review board  
6 created in section 5.

7 (O) ~~(n)~~—"Rural area" means an area that lies outside of the  
8 boundaries of an urban area.

9 (P) ~~(o)~~—"Urban area" means an urbanized area as determined by  
10 the economics and statistics administration, United States bureau  
11 of the census according to the 1990 census.

12 SEC. 8G. (1) THE BOARD, UPON RECOMMENDATION OF THE BOARD OF  
13 THE MICHIGAN STRATEGIC FUND DEFINED IN SECTION 4 OF THE MICHIGAN  
14 STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004, MAY DESIGNATE NOT  
15 MORE THAN 3 ADDITIONAL RENAISSANCE ZONES FOR INTEGRATED COAL  
16 GASIFICATION FACILITIES WITHIN THIS STATE IN 1 OR MORE CITIES,  
17 VILLAGES, OR TOWNSHIPS IF THAT CITY, VILLAGE, OR TOWNSHIP OR  
18 COMBINATION OF CITIES, VILLAGES, OR TOWNSHIPS CONSENTS TO THE  
19 CREATION OF A RENAISSANCE ZONE FOR AN INTEGRATED COAL GASIFICATION  
20 FACILITY WITHIN THEIR BOUNDARIES.

21 (2) EACH RENAISSANCE ZONE DESIGNATED FOR AN INTEGRATED COAL  
22 GASIFICATION FACILITY UNDER THIS SECTION SHALL BE 1 CONTINUOUS  
23 DISTINCT GEOGRAPHIC AREA.

24 (3) THE BOARD MAY REVOKE THE DESIGNATION OF ALL OR A PORTION  
25 OF A RENAISSANCE ZONE FOR AN INTEGRATED COAL GASIFICATION FACILITY  
26 IF THE BOARD DETERMINES THAT THE INTEGRATED COAL GASIFICATION  
27 FACILITY DOES 1 OR MORE OF THE FOLLOWING IN A RENAISSANCE ZONE

1 DESIGNATED UNDER THIS SECTION:

2 (A) FAILS TO COMMENCE OPERATION.

3 (B) CEASES OPERATION.

4 (C) FAILS TO COMMENCE CONSTRUCTION OR RENOVATION WITHIN 1 YEAR  
5 FROM THE DATE THE RENAISSANCE ZONE FOR THE INTEGRATED COAL  
6 GASIFICATION FACILITY IS DESIGNATED.

7 (4) WHEN DESIGNATING A RENAISSANCE ZONE FOR AN INTEGRATED COAL  
8 GASIFICATION FACILITY, THE BOARD SHALL CONSIDER ALL OF THE  
9 FOLLOWING:

10 (A) THE ECONOMIC IMPACT ON LOCAL SUPPLIERS WHO SUPPLY RAW  
11 MATERIALS, GOODS, AND SERVICES TO THE INTEGRATED COAL GASIFICATION  
12 FACILITY.

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

15 (C) THE VIABILITY OF THE PROJECT.

16 (D) THE ECONOMIC AND ENVIRONMENTAL IMPACT ON THE COMMUNITY IN  
17 WHICH THE INTEGRATED COAL GASIFICATION FACILITY IS LOCATED AND THE  
18 ECONOMIC AND ENVIRONMENTAL IMPACT ON THIS STATE.

19 (5) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT  
20 ADDED THIS SUBSECTION, THE BOARD SHALL REQUIRE A DEVELOPMENT  
21 AGREEMENT BETWEEN THE MICHIGAN STRATEGIC FUND AND THE INTEGRATED  
22 COAL GASIFICATION FACILITY.

23 (6) AS USED IN THIS SECTION, "DEVELOPMENT AGREEMENT" MEANS A  
24 WRITTEN AGREEMENT BETWEEN THE MICHIGAN STRATEGIC FUND AND THE  
25 INTEGRATED COAL GASIFICATION FACILITY THAT INCLUDES, BUT IS NOT  
26 LIMITED TO, ALL OF THE FOLLOWING:

27 (A) A REQUIREMENT THAT THE INTEGRATED COAL GASIFICATION

1 FACILITY COMPLY WITH ALL STATE AND LOCAL LAWS.

2 (B) A REQUIREMENT THAT THE INTEGRATED COAL GASIFICATION  
3 FACILITY REPORT ANNUALLY TO THE MICHIGAN STRATEGIC FUND ON ALL OF  
4 THE FOLLOWING:

5 (i) THE AMOUNT OF CAPITAL INVESTMENT MADE AT THE FACILITY.

6 (ii) THE NUMBER OF INDIVIDUALS EMPLOYED AT THE FACILITY AT THE  
7 BEGINNING AND END OF THE REPORTING PERIOD AS WELL AS THE NUMBER OF  
8 INDIVIDUALS TRANSFERRED TO THE FACILITY FROM ANOTHER FACILITY OWNED  
9 BY THE INTEGRATED COAL GASIFICATION FACILITY.

10 (iii) THE PERCENTAGE OF RAW MATERIALS PURCHASED IN THIS STATE.

11 (C) ANY OTHER CONDITIONS OR REQUIREMENTS REASONABLY REQUIRED  
12 BY THE MICHIGAN STRATEGIC FUND.