

HOUSE BILL No. 5601

January 9, 2008, Introduced by Rep. Sak and referred to the Committee on Commerce.

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 8a and 10 (MCL 125.2688a and 125.2690),
section 8a as amended by 2006 PA 476 and section 10 as amended by
2005 PA 164.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 entire renaissance zone shall be considered to be located in an
2 urban area.

3 (2) The board of the Michigan strategic fund described in
4 section 4 of the Michigan strategic fund act, 1984 PA 270, MCL
5 125.2004, may designate not more than ~~13~~**14** additional renaissance
6 zones within this state in 1 or more cities, villages, or townships
7 if that city, village, or township or combination of cities,
8 villages, or townships consents to the creation of a renaissance
9 zone within their boundaries. The board of the Michigan strategic
10 fund may designate not more than 1 of the ~~13~~**14** additional
11 renaissance zones described in this subsection as an alternative
12 energy zone. An alternative energy zone shall promote and increase
13 the research, development, testing, and manufacturing of
14 alternative energy technology, alternative energy systems, and
15 alternative energy vehicles, as those terms are defined in the
16 Michigan next energy authority act, 2002 PA 593, MCL 207.821 to
17 207.827. An alternative energy zone shall have a duration of
18 renaissance zone status for a period not to exceed 20 years as
19 determined by the board of the Michigan strategic fund. Not later
20 than April 16, 2004, the board of the Michigan strategic fund may
21 designate not more than 1 of the ~~13~~**14** additional renaissance zones
22 described in this subsection as a pharmaceutical renaissance zone.
23 A pharmaceutical renaissance zone shall promote and increase the
24 research, development, and manufacturing of pharmaceutical products
25 of an eligible pharmaceutical company. The board of the Michigan
26 strategic fund may designate not more than ~~8~~**9** of the additional ~~13~~
27 **14** renaissance zones described in this subsection as a

1 redevelopment renaissance zone. A redevelopment renaissance zone
2 shall promote the redevelopment of existing industrial facilities,
3 **REDEVELOPMENT OF OBSOLETE FACILITIES**, or the development of
4 property for industrial purposes. Before designating a renaissance
5 zone under this subsection, the board of the Michigan strategic
6 fund may enter into a development agreement with the city,
7 township, or village in which the renaissance zone will be located
8 and the owner or developer of the facility or property located in
9 the renaissance zone. The development agreement for a redevelopment
10 renaissance zone described only in subsection (6)(b)(vi) or (vii) may
11 provide for the payment of 1 or more of the taxes described in
12 section 9.

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

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

23 (5) Notwithstanding any other provision of this act, property
24 located in the alternative energy zone that is classified as
25 commercial real property under section 34c of the general property
26 tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the
27 concurrence of the assessor of the local tax collecting unit,

determines is not used to directly promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy systems, and alternative energy vehicles as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827, is not eligible for any exemption, deduction, or credit under section 9.

(6) As used in this section:

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

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

(ii) Has not less than 8,499 employees located in this state, all of whom are located within a 100-mile radius of each other.

(iii) Of the total number of employees located in this state, has not less than 4,800 engaged primarily in research and development of pharmaceuticals.

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

(i) All of the following:

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

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

(ii) All of the following:

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

1 of more than 1,000,000 and less than 1,300,000.

2 (B) Contains only all or a portion of an industrial site of
3 300 or more contiguous acres.

4 (iii) All of the following:

5 (A) Is located in a township with a population of more than
6 5,500 and is located in a county with a population of less than
7 24,000.

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

10 (iv) All of the following:

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

14 (B) Contains only all or a portion of an industrial site of
15 more than 475 acres.

16 (v) All of the following:

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

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

22 (vi) All of the following:

23 (A) Is located in a city with a population of more than
24 190,000 and less than 250,000 and is located in a county with a
25 population of more than 573,000 and less than 625,000.

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

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

3 (vii) All of the following:

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

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

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

11 (viii) All of the following:

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

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

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

19 (ix) **ALL OF THE FOLLOWING:**

20 (A) **IS LOCATED IN A TOWNSHIP WITH A POPULATION OF MORE THAN**
21 **28,000 AND IS LOCATED IN A COUNTY WITH A POPULATION OF LESS THAN**
22 **238,500.**

23 (B) **CONTAINS ONLY ALL OR A PORTION OF AN OBSOLETE INDUSTRIAL**
24 **SITE OF MORE THAN 40 ACRES.**

25 Sec. 10. (1) An individual who is a resident of a renaissance
26 zone or a business that is located and conducts business activity
27 within a renaissance zone or a person that owns property located in

1 a renaissance zone is not eligible for the exemption, deduction, or
2 credit listed in section 9(1) or (2) for that taxable year if 1 or
3 more of the following apply:

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

6 (i) The single business tax act, 1975 PA 228, MCL 208.1 to
7 208.145, **OR THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1101**
8 **TO 208.1601.**

9 (ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to
10 206.532.

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

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

14 (v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to
15 125.2123.

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

17 (vii) The technology park development act, 1984 PA 385, MCL
18 207.701 to 207.718.

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

21 (ix) The neighborhood enterprise zone act, 1992 PA 147, MCL
22 207.771 to 207.786.

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

25 (b) The resident, business, or property owner is substantially
26 delinquent as defined in a written policy by the qualified local
27 governmental unit in which the renaissance zone is located on

1 December 31 of the prior tax year under 1 or both of the following:

2 (i) The city income tax act, 1964 PA 284, MCL 141.501 to
3 141.787.

4 (ii) Taxes, fees, and special assessments collected under the
5 general property tax act, 1893 PA 206, MCL 211.1 to ~~211.157~~
6 **211.155**.

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

23 (2) An individual who is a resident of a renaissance zone is
24 eligible for an exemption, deduction, or credit under section 9(1)
25 and (2) until the department of treasury determines that the
26 aggregate state and local tax revenue forgone as a result of all
27 exemptions, deductions, or credits granted under this act to that

1 individual reaches \$10,000,000.00.

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

14 (4) For tax years beginning on or after January 1, 1997, an
15 individual who is a resident of a renaissance zone shall not be
16 denied the exemption under subsection (1) if the individual failed
17 to file a return on or before December 31 of the prior tax year
18 under subsection (1)(a)(ii) and that individual was entitled to a
19 refund under that act.