

SENATE BILL No. 1483

September 10, 2008, Introduced by Senator ALLEN and referred to the Committee on Commerce and Tourism.

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending sections 8a and 8e (MCL 125.2688a and 125.2688e), section 8a as amended by 2008 PA 116 and section 8e as amended by 2008 PA 117.

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

1 located in an urban area or rural area under this section, if any
2 part of a renaissance zone is located within an urban area, the
3 entire renaissance zone shall be considered to be located in an
4 urban area.

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

1 ~~17-18~~ additional renaissance zones described in this subsection as
2 a pharmaceutical recovery renaissance zone. A pharmaceutical
3 recovery renaissance zone shall promote the development or
4 redevelopment of existing underutilized facilities currently
5 occupied or formerly occupied by a pharmaceutical company. Before
6 designating a renaissance zone under this subsection, the board of
7 the Michigan strategic fund may enter into a development agreement
8 with the city, township, or village in which the renaissance zone
9 will be located and the owner or developer of the facility or
10 property located in the renaissance zone. The development agreement
11 for a redevelopment renaissance zone described only in subsection
12 (6)(b)(vi) or (vii) may provide for the payment of 1 or more of the
13 taxes described in section 9.

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

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

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

1 concurrence of the assessor of the local tax collecting unit,
2 determines is not used to directly promote and increase the
3 research, development, testing, and manufacturing of alternative
4 energy technology, alternative energy systems, and alternative
5 energy vehicles as those terms are defined in the Michigan next
6 energy authority act, 2002 PA 593, MCL 207.821 to 207.827, is not
7 eligible for any exemption, deduction, or credit under section 9.

8 (6) As used in this section:

9 (a) "Pharmaceutical recovery renaissance zone" means a
10 renaissance zone that includes a geographic area that is located in
11 1 or both of the following:

12 (i) In a city with a population of more than 70,000 and less
13 than 85,000 and in a county with a population of more than 235,000
14 and less than 250,000.

15 (ii) In a city with a population of more than 42,000 and less
16 than 55,000 and in a county with a population of more than 235,000
17 and less than 250,000.

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

20 (i) All of the following:

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

24 (B) Contains only all or a portion of an industrial site of
25 200 or more acres.

26 (ii) All of the following:

27 (A) Is located in a city with a population of more than 13,000

1 and less than 14,000 and is located in a county with a population
2 of more than 1,000,000 and less than 1,300,000.

3 (B) Contains only all or a portion of an industrial site of
4 300 or more contiguous acres.

5 (iii) All of the following:

6 (A) Is located in a township with a population of more than
7 5,500 and is located in a county with a population of less than
8 24,000.

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

11 (iv) 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 of
16 more than 475 acres.

17 (v) All of the following:

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

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

23 (vi) All of the following:

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

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

1 more than 14 acres and less than 16 acres in size.

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

4 (vii) All of the following:

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

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

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

12 (viii) All of the following:

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

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

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

20 Sec. 8e. (1) The board, upon recommendation of the board of
21 the Michigan strategic fund defined in section 4 of the Michigan
22 strategic fund act, 1984 PA 270, MCL 125.2004, and upon
23 recommendation of the commission of agriculture if the renewable
24 energy facility uses agricultural crops or residues, or processed
25 products from agricultural crops as its primary raw material
26 source, may designate not more than ~~10~~**12** additional renaissance
27 zones for renewable energy facilities within this state in 1 or

1 more cities, villages, or townships if that city, village, or
2 township or combination of cities, villages, or townships consents
3 to the creation of a renaissance zone for a renewable energy
4 facility within their boundaries.

5 (2) Each renaissance zone designated for a renewable energy
6 facility under this section shall be 1 continuous distinct
7 geographic area.

8 (3) The board may revoke the designation of all or a portion
9 of a renaissance zone for a renewable energy facility if the board
10 determines that the renewable energy facility does 1 or more of the
11 following in a renaissance zone designated under this section:

12 (a) Fails to commence operation.

13 (b) Ceases operation.

14 (c) Fails to commence construction or renovation within 1 year
15 from the date the renaissance zone for the renewable energy
16 facility is designated.

17 (4) When designating a renaissance zone for a renewable energy
18 facility, the board shall consider all of the following:

19 (a) The economic impact on local suppliers who supply raw
20 materials, goods, and services to the renewable energy facility.

21 (b) The creation of jobs relative to the employment base of
22 the community rather than the static number of jobs created.

23 (c) The viability of the project.

24 (d) The economic impact on the community in which the
25 renewable energy facility is located.

26 (e) All other things being equal, giving preference to a
27 business entity already located in this state.

1 (f) Whether the renewable energy facility can be located in an
2 existing renaissance zone designated under section 8 or 8a.

3 (5) Beginning on July 7, 2006, the board shall require a
4 development agreement between the Michigan strategic fund and the
5 renewable energy facility.

6 (6) Until the maximum number of additional renaissance zones
7 for renewable energy facilities described in subsection (1) is met,
8 if the board designates a renaissance zone under this section,
9 section 8c, or section 8f for a facility that is a forest products
10 processing facility or an agricultural processing facility and that
11 also meets the definition of a renewable energy facility, then the
12 board shall only designate that renaissance zone as a renaissance
13 zone for a renewable energy facility under this section.

14 (7) As used in this section, "development agreement" means a
15 written agreement between the Michigan strategic fund and the
16 renewable energy facility that includes, but is not limited to, all
17 of the following:

18 (a) A requirement that the renewable energy facility comply
19 with all state and local laws.

20 (b) A requirement that the renewable energy facility report
21 annually to the Michigan strategic fund on all of the following:

22 (i) The amount of capital investment made at the facility.

23 (ii) The number of individuals employed at the facility at the
24 beginning and end of the reporting period as well as the number of
25 individuals transferred to the facility from another facility owned
26 by the renewable energy facility.

27 (iii) The percentage of raw materials purchased in this state.

1 (c) Any other conditions or requirements reasonably required
2 by the Michigan strategic fund.