

# HOUSE BILL No. 5202

July 15, 2009, Introduced by Reps. Hansen, Stamas, Green, Sheltroun, Polidori, Horn, Clemente, Slezak, Pearce, Booher, Meekhof, DeShazor, Walsh, Moss, Hammel, Terry Brown, Espinoza, Mayes, Simpson, McDowell, Haveman, Knollenberg, Bolger, Calley, Dean, Proos and Opsommer and referred to the Committee on Commerce.

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending section 3 (MCL 125.2683), as amended by 2008 PA 217, 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  
9 1921 PA 2, MCL 17.1 to 17.3.

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

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

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

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

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

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

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

20 **(E) "ENTREPRENEURIAL BUSINESS" MEANS A NEW, FOR-PROFIT START-**  
21 **UP BUSINESS OF 100 EMPLOYEES OR LESS REGISTERED IN AND WITH THIS**  
22 **STATE ON OR AFTER JULY 1, 2009.**

23 **(F) "ENTREPRENEURIAL BUSINESS FACILITY" MEANS A FACILITY OR**  
24 **OPERATION THAT HAS AS ITS PRINCIPAL FUNCTION THE RESEARCH,**  
25 **DEVELOPMENT, SUPPORT, MANUFACTURING, OR PROVIDING A SERVICE FOR AN**  
26 **ENTREPRENEURIAL BUSINESS.**

27 **(G) ~~(e)~~—"Forest products processing facility" means 1 or more**

1 facilities or operations that transform, package, sort, recycle, or  
2 grade forest or paper products into goods that are used for  
3 intermediate or final use or consumption or for the creation of  
4 biomass or alternative fuels through the utilization of forest  
5 products or forest residue, and surrounding property. Forest  
6 products processing facility does not include an existing facility  
7 or operation that is located in this state that relocates to a  
8 renaissance zone for a forest products processing facility. Forest  
9 products processing facility does not include a facility or  
10 operation that engages primarily in retail sales.

11 (H) ~~(f)~~—"Local governmental unit" means a county, city,  
12 village, or township.

13 (I) ~~(g)~~—"Person" means an individual, partnership,  
14 corporation, association, limited liability company, governmental  
15 entity, or other legal entity.

16 (J) ~~(h)~~—"Qualified local governmental unit" means either of  
17 the following:

18 (i) A county.

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

22 (K) ~~(i)~~—"Recovery zone" means a tool and die renaissance  
23 recovery zone created in section 8d.

24 (L) ~~(j)~~—"Renaissance zone" means a geographic area designated  
25 under this act.

26 (M) ~~(k)~~—"Renewable energy facility" means a facility that  
27 creates energy directly or fuel from the wind, the sun, trees,

1 grasses, biosolids, algae, agricultural commodities, processed  
2 products from agricultural commodities, or residues from  
3 agricultural processes, wood or forest processes, food production  
4 and processing, or the paper products industry. Renewable energy  
5 facility also includes a facility that creates energy or fuels from  
6 solid biomass, animal wastes, or landfill gases. Renewable energy  
7 facility also includes a facility that focuses on research,  
8 development, or manufacturing of systems or components of systems  
9 used to create energy or fuel from the items described in this  
10 subdivision.

11 (N) ~~(H)~~—"Residential rental property" means that term as  
12 defined in section 7ff of the general property tax act, 1893 PA  
13 206, MCL 211.7ff.

14 (O) ~~(m)~~—"Review board" means the renaissance zone review board  
15 created in section 5.

16 (P) ~~(n)~~—"Rural area" means an area that lies outside of the  
17 boundaries of an urban area.

18 (Q) ~~(o)~~—"Urban area" means an urbanized area as determined by  
19 the economics and statistics administration, United States bureau  
20 of the census according to the 1990 census.

21 **SEC. 8G. (1) THE BOARD, UPON RECOMMENDATION OF THE BOARD OF**  
22 **THE MICHIGAN STRATEGIC FUND DEFINED IN SECTION 4 OF THE MICHIGAN**  
23 **STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004, MAY DESIGNATE**  
24 **ADDITIONAL RENAISSANCE ZONES FOR ENTREPRENEURIAL BUSINESS**  
25 **FACILITIES WITHIN THIS STATE IN THAT PORTION OF A CITY, VILLAGE, OR**  
26 **TOWNSHIP IF THAT CITY, VILLAGE, OR TOWNSHIP OR COMBINATION OF**  
27 **CITIES, VILLAGES, OR TOWNSHIPS CONSENTS TO THE CREATION OF A**

1 RENAISSANCE ZONE FOR AN ENTREPRENEURIAL BUSINESS FACILITY WITHIN  
2 THEIR BOUNDARIES. A RENAISSANCE ZONE FOR AN ENTREPRENEURIAL  
3 BUSINESS FACILITY SHALL HAVE A DURATION OF RENAISSANCE ZONE STATUS  
4 FOR A PERIOD OF 5 YEARS.

5 (2) EACH RENAISSANCE ZONE DESIGNATED FOR AN ENTREPRENEURIAL  
6 BUSINESS 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 AN ENTREPRENEURIAL BUSINESS FACILITY IF  
10 THE BOARD DETERMINES THAT THE ENTREPRENEURIAL BUSINESS FACILITY  
11 DOES 1 OR MORE OF THE FOLLOWING IN A RENAISSANCE ZONE DESIGNATED  
12 UNDER THIS SECTION:

13 (A) FAILS TO COMMENCE OPERATION.

14 (B) CEASES OPERATION.

15 (C) FAILS TO COMMENCE CONSTRUCTION OR RENOVATION WITHIN 1 YEAR  
16 FROM THE DATE THE RENAISSANCE ZONE FOR THE ENTREPRENEURIAL BUSINESS  
17 FACILITY IS DESIGNATED.

18 (4) THE BOARD SHALL CONSIDER ALL OF THE FOLLOWING WHEN  
19 DESIGNATING A RENAISSANCE ZONE FOR AN ENTREPRENEURIAL BUSINESS  
20 FACILITY:

21 (A) THE ECONOMIC IMPACT ON LOCAL SUPPLIERS WHO SUPPLY RAW  
22 MATERIALS, GOODS, AND SERVICES TO THE ENTREPRENEURIAL BUSINESS  
23 FACILITY.

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

26 (C) THE VIABILITY OF THE PROJECT.

27 (D) THE ECONOMIC IMPACT ON THE COMMUNITY IN WHICH THE

1 ENTREPRENEURIAL BUSINESS FACILITY IS LOCATED.

2 (5) THE BOARD SHALL REQUIRE A DEVELOPMENT AGREEMENT BETWEEN  
3 THE MICHIGAN STRATEGIC FUND AND THE ENTREPRENEURIAL BUSINESS  
4 FACILITY.

5 (6) AS USED IN THIS SECTION, "DEVELOPMENT AGREEMENT" MEANS A  
6 WRITTEN AGREEMENT BETWEEN THE MICHIGAN STRATEGIC FUND AND THE  
7 ENTREPRENEURIAL BUSINESS FACILITY THAT INCLUDES, BUT IS NOT LIMITED  
8 TO, ALL OF THE FOLLOWING:

9 (A) A REQUIREMENT THAT THE ENTREPRENEURIAL BUSINESS FACILITY  
10 COMPLY WITH ALL STATE AND LOCAL LAWS.

11 (B) A REQUIREMENT THAT THE ENTREPRENEURIAL BUSINESS FACILITY  
12 REPORT ANNUALLY TO THE MICHIGAN STRATEGIC FUND ON ALL OF THE  
13 FOLLOWING:

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

15 (ii) THE NUMBER OF INDIVIDUALS EMPLOYED AT THE FACILITY AT THE  
16 BEGINNING AND END OF THE REPORTING PERIOD AS WELL AS THE NUMBER OF  
17 INDIVIDUALS TRANSFERRED TO THE FACILITY FROM ANOTHER FACILITY OWNED  
18 BY THE ENTREPRENEURIAL BUSINESS FACILITY.

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

20 (C) APPROVAL OF THE BUSINESS PLAN BY A STATE RECOGNIZED  
21 ENTREPRENEURIAL SUPPORT RESOURCE AS DETERMINED BY THE BOARD.

22 (D) ANY OTHER CONDITIONS OR REQUIREMENTS REASONABLY REQUIRED  
23 BY THE MICHIGAN STRATEGIC FUND.