

SENATE BILL No. 697

July 15, 2009, 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 8c and 9 (MCL 125.2688c and 125.2689), section
8c as amended by 2006 PA 284 and section 9 as amended by 2008 PA
495.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8c. (1) The board, upon recommendation of the board of
2 the Michigan strategic fund defined in section 4 of the Michigan
3 strategic fund act, 1984 PA 270, MCL 125.2004, and upon
4 recommendation of the commission of agriculture, may designate not
5 more than 30 additional renaissance zones for agricultural
6 processing facilities within this state in 1 or more cities,
7 villages, or townships if that city, village, or township or

1 combination of cities, villages, or townships consents to the
2 creation of a renaissance zone for an agricultural processing
3 facility within their boundaries.

4 (2) Each renaissance zone designated for an agricultural
5 processing facility under this section shall be 1 continuous
6 distinct geographic area.

7 (3) The board may revoke the designation of all or a portion
8 of a renaissance zone for an agricultural processing facility if
9 the board determines that the agricultural processing facility does
10 1 or more of the following in a renaissance zone designated under
11 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 agricultural processing
16 facility is designated.

17 (4) Beginning ~~on the date of the amendatory act that added~~
18 ~~this subsection~~ **JULY 10, 2006**, the board shall consider all of the
19 following when designating a renaissance zone for an agricultural
20 processing facility:

21 (a) The economic impact on local suppliers who supply raw
22 materials, goods, and services to the agricultural processing
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 agricultural processing facility is located.

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

4 (5) Beginning ~~on the date of the amendatory act that added~~
5 ~~this subsection~~ **JULY 10, 2006**, the board shall do all of the
6 following:

7 (a) Require a development agreement between the Michigan
8 strategic fund and the agricultural processing facility.

9 (b) Designate not less than 3 of the renaissance zones for
10 agricultural processing facilities that have an initial capital
11 investment of less than ~~\$7,000,000.00~~ **\$6,500,000.00**.

12 (c) Designate not less than 5 of the renaissance zones for
13 agricultural processing facilities in rural areas.

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

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

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

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

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

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

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

4 Sec. 9. (1) Except as otherwise provided in section 10, an
5 individual who is a resident of a renaissance zone or a business
6 that is located and conducts business activity within a renaissance
7 zone shall receive the exemption, deduction, or credit as provided
8 in the following for the period provided under section 6(2)(b):

9 (a) Section 39b of former 1975 PA 228 or section 433 of the
10 Michigan business tax act, 2007 PA 36, MCL 208.1433.

11 (b) Section 31 of the income tax act of 1967, 1967 PA 281, MCL
12 206.31.

13 (c) Section 35 of chapter 2 of the city income tax act, 1964
14 PA 284, MCL 141.635.

15 (d) Section 5 of the city utility users tax act, 1990 PA 100,
16 MCL 141.1155.

17 (2) Except as otherwise provided in section 10, property
18 located in a renaissance zone is exempt from the collection of
19 taxes under all of the following:

20 (a) Section 7ff of the general property tax act, 1893 PA 206,
21 MCL 211.7ff.

22 (b) Section 11 of 1974 PA 198, MCL 207.561.

23 (c) Section 12 of the commercial redevelopment act, 1978 PA
24 255, MCL 207.662.

25 (d) Section 21c of the enterprise zone act, 1985 PA 224, MCL
26 125.2121c.

27 (e) Section 1 of 1953 PA 189, MCL 211.181.

1 (f) Section 12 of the technology park development act, 1984 PA
2 385, MCL 207.712.

3 (g) Section 51105 of the natural resources and environmental
4 protection act, 1994 PA 451, MCL 324.51105.

5 (h) Section 9 of the neighborhood enterprise zone act, 1992 PA
6 147, MCL 207.779.

7 (3) ~~During~~ **EXCEPT FOR TOOL AND DIE RENAISSANCE RECOVERY ZONES**
8 **THAT HAVE A DURATION OF LESS THAN 15 YEARS, DURING** the last 3 years
9 that the taxpayer is eligible for an exemption, deduction, or
10 credit described in subsections (1) and (2), the exemption,
11 deduction, or credit shall be reduced by the following percentages:

12 (a) For the tax year that is 2 years before the final year of
13 designation as a renaissance zone, the percentage shall be 25%.

14 (b) For the tax year immediately preceding the final year of
15 designation as a renaissance zone, the percentage shall be 50%.

16 (c) For the tax year that is the final year of designation as
17 a renaissance zone, the percentage shall be 75%.