

HOUSE BILL No. 5187

December 11, 2013, Introduced by Reps. Switalski, Townsend and Yanez and referred to the Committee on Commerce.

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending section 8d (MCL 125.2688d), as amended by 2010 PA 368.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8d. (1) The board of the Michigan strategic fund
2 described in section 4 of the Michigan strategic fund act, 1984 PA
3 270, MCL 125.2004, may designate not more than 35 tool and die
4 renaissance recovery zones within this state in 1 or more cities,
5 villages, or townships if that city, village, or township or
6 combination of cities, villages, or townships consents to the
7 creation of a recovery zone within their boundaries. A recovery
8 zone shall have a duration of renaissance zone status for a period
9 of not less than 5 years and not more than 15 years as determined

1 by the board of the Michigan strategic fund. If the Michigan
2 strategic fund determines that the duration of renaissance zone
3 status for a recovery zone is less than 15 years, then the Michigan
4 strategic fund, with the consent of the city, village, or township
5 or combination of cities, villages, or townships in which the
6 qualified tool and die business is located, may extend the duration
7 of renaissance zone status for the recovery zone for 1 or more
8 periods that when combined do not exceed 15 years. Not less than 1
9 of the recovery zones shall consist of 1 or more qualified tool and
10 die businesses that have a North American industrial classification
11 system (NAICS) of 332997.

12 (2) The board of the Michigan strategic fund may designate a
13 recovery zone within this state if the recovery zone consists of
14 not less than 4 and not more than 20 qualified tool and die
15 businesses at the time of designation. If the board of the Michigan
16 strategic fund designated 1 or more recovery zones that contain
17 less than 20 qualified tool and die businesses before December 19,
18 2005, the board of the Michigan strategic fund may add additional
19 qualified tool and die businesses to that recovery zone subject to
20 the limitations contained in this subsection. A recovery zone shall
21 consist of only qualified tool and die business property. The board
22 of the Michigan strategic fund may combine existing recovery zones
23 that are comprised solely of tool and die businesses that are
24 parties to the same qualified collaborative agreement. Where 2 or
25 more recovery zones have been combined, the board of the Michigan
26 strategic fund may continue to designate additional recovery zones,
27 provided that no more than 35 tool and die recovery zones exist at

1 1 time. THE BOARD OF THE MICHIGAN STRATEGIC FUND SHALL AGGRESSIVELY
2 WORK WITH CITIES, VILLAGES, AND TOWNSHIPS AND WITH TOOL AND DIE
3 BUSINESSES TO MAXIMIZE THE NUMBER OF TOOL AND DIE RECOVERY ZONES IN
4 THIS STATE.

5 (3) The board of the Michigan strategic fund may revoke the
6 designation of all or a portion of a recovery zone with respect to
7 1 or more qualified tool and die businesses if those qualified tool
8 and die businesses fail or cease to participate in or comply with a
9 qualified collaborative agreement. A qualified tool and die
10 business may enter into another qualified collaborative agreement
11 once it is designated part of a recovery zone.

12 (4) One or more qualified tool and die businesses subject to a
13 qualified collaborative agreement may merge into another group of
14 qualified tool and die businesses subject to a different qualified
15 collaborative agreement upon application to and approval by the
16 Michigan strategic fund.

17 (5) A qualified tool and die business in a recovery zone may
18 have a different period of renaissance zone status than other
19 qualified tool and die businesses in the same recovery zone.

20 (6) The board of the Michigan strategic fund may modify an
21 existing recovery zone to add 1 or more qualified tool and die
22 businesses with the consent of all other qualified tool and die
23 businesses that are participating in the recovery zone.

24 (7) The board of the Michigan strategic fund may modify an
25 existing recovery zone to add additional property under the same
26 terms and conditions as the existing recovery zone if all of the
27 following are met:

1 (a) The additional real property is contiguous to existing
2 qualified tool and die business property and will become qualified
3 tool and die business property once it is brought into operation as
4 determined by the board of the Michigan strategic fund.

5 (b) The city, village, or township in which the qualified tool
6 and die business is located consents to the modification.

7 (8) Beginning on January 13, 2009, a recovery zone may include
8 a qualified tool and die business that has 75 or more full-time
9 employees if that qualified tool and die business has entered into
10 a written agreement with the board of the Michigan strategic fund
11 and the city, village, or township, or a combination of cities,
12 villages, or townships, in which the qualified tool and die
13 business is located.

14 (9) As used in this section:

15 (a) "Qualified collaborative agreement" means an agreement
16 that demonstrates synergistic opportunities, including, but not
17 limited to, all of the following:

18 (i) Sales and marketing efforts.

19 (ii) Development of standardized processes.

20 (iii) Development of tooling standards.

21 (iv) Standardized project management methods.

22 (v) Improved ability for specialized or small niche shops to
23 develop expertise and compete successfully on larger programs.

24 (b) "Qualified tool and die business" means a business entity
25 that meets all of the following:

26 (i) Has a North American industrial classification system
27 (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515; or

1 has a North American industrial classification system (NAICS) of
2 337215 and operates a facility within an existing renaissance zone,
3 which facility is adjacent to real property not located in a
4 renaissance zone and is located within 1/4 mile of a Michigan
5 technical education center.

6 (ii) Has entered into a qualified collaboration agreement as
7 approved by the Michigan strategic fund consisting of not fewer
8 than 4 or more than 20 other business entities at the time of
9 designation that have a North American industrial classification
10 system (NAICS) of 332997, 333511, 333512, 333513, 333514, or
11 333515.

12 (iii) Except as otherwise provided by the board of the Michigan
13 strategic fund, has fewer than 75 full-time employees.

14 (c) "Qualified tool and die business property" means 1 or more
15 of the following:

16 (i) Property owned by 1 or more qualified tool and die
17 businesses and used by those qualified tool and die businesses
18 primarily for tool and die business operations. Qualified tool and
19 die business property is used primarily for tool and die business
20 operations if the qualified tool and die businesses that own the
21 qualified tool and die business property generate 75% or more of
22 the qualified tool and die businesses' gross revenue from tool and
23 die operations that take place on the qualified tool and die
24 business property at the time of designation.

25 (ii) Property leased by 1 or more qualified tool and die
26 business for which the qualified tool and die business is liable
27 for ad valorem property taxes and which is used by those qualified

1 tool and die businesses primarily for tool and die business
2 operations. Qualified tool and die business property is used
3 primarily for tool and die business operations if the qualified
4 tool and die businesses that lease the qualified tool and die
5 business property generate 75% or more of the qualified tool and
6 die businesses' gross revenue from tool and die operations that
7 take place on the qualified tool and die business property at the
8 time of designation. The qualified tool and die business shall
9 furnish proof of its ad valorem property tax liability to the
10 department of treasury.