

SENATE BILL No. 580

October 2, 2013, Introduced by Senator CASPERSON and referred to the Committee on Economic Development.

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending sections 6, 8a, 8d, 8h, and 15 (MCL 125.2686, 125.2688a, 125.2688d, 125.2688h, and 125.2695), sections 6 and 8a as amended and section 8h as added by 2010 PA 277 and section 8d as amended by 2010 PA 368.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) The board shall review all recommendations
2 submitted by the review board and determine which applications meet
3 the criteria contained in section 7.

4 (2) The board shall do all of the following:

5 (a) Designate renaissance zones.

1 (b) Subject to subsection (3), approve or reject the duration
2 of renaissance zone status.

3 (c) Subject to subsection (3), approve or reject the
4 geographic boundaries and the total area of the renaissance zone as
5 submitted in the application.

6 (3) The board shall not alter the geographic boundaries of the
7 renaissance zone or the duration of renaissance zone status
8 described in the application unless the qualified local
9 governmental unit or units and the local governmental unit or units
10 in which the renaissance zone is to be located consent by
11 resolution to the alteration.

12 (4) The board shall not designate a renaissance zone under
13 section 8 before November 1, 1996 or after December 31, 1996.

14 (5) Except as otherwise provided in this subsection, the
15 designation of a renaissance zone under this act shall take effect
16 on January 1 in the year following designation. However, for
17 purposes of the taxes exempted under section 9(2), the designation
18 of a renaissance zone under this act shall take effect on December
19 31 in the year of designation. For designations made pursuant to
20 section 8a(2), the board of the Michigan strategic fund may choose
21 a beginning date, provided that the date must be January 1 of a
22 year and must not be more than 5 years after the date of
23 designation. The board of the Michigan strategic fund may provide
24 that the January 1 beginning date be determined under a written
25 agreement between the board of the Michigan strategic fund and the
26 qualified local governmental unit in which the renaissance zone is
27 to be located. However, for purposes of the taxes exempted under

1 section 9(2), the designation of a renaissance zone under section
2 8a(2) shall take effect on December 31 in the year immediately
3 preceding the year in which the designation under section 8a(2)
4 takes effect.

5 (6) The board shall not designate a renaissance zone under
6 section 8a after December 31, 2002.

7 (7) Through December 31, 2002, a qualified local governmental
8 unit in which a renaissance zone was designated under section 8 or
9 8a may modify the boundaries of that renaissance zone to include
10 contiguous parcels of property as determined by the qualified local
11 governmental unit and approval by the review board. The additional
12 contiguous parcels of property included in a renaissance zone under
13 this subsection do not constitute an additional distinct geographic
14 area under section 4(1)(d). If the boundaries of the renaissance
15 zone are modified as provided in this subsection, the additional
16 contiguous parcels of property shall become part of the original
17 renaissance zone on the same terms and conditions as the original
18 designation of that renaissance zone.

19 (8) Notwithstanding any other provisions of this act, before
20 July 1, 2004, a qualified local governmental unit in which a
21 renaissance zone was designated under section 8a(1) as a
22 renaissance zone located in a rural area may modify the boundaries
23 of that renaissance zone to include a contiguous parcel of property
24 as determined by the qualified local governmental unit. The
25 contiguous parcel of property shall only include property that is
26 less than .5 acres in size and that the qualified local
27 governmental unit previously sought to have included in the zone by

1 submitting an application in February 2002 that was not acted upon
2 by the review board. The additional contiguous parcel of property
3 included in a renaissance zone under this subsection does not
4 constitute an additional distinct geographic area under section
5 4(1)(d). If the boundaries of the renaissance zone are modified as
6 provided in this subsection, the additional contiguous parcel of
7 property shall become part of the original renaissance zone on the
8 same terms and conditions as the rest of the property in that
9 renaissance zone.

10 (9) A business that is located and conducts business activity
11 within a renaissance zone designated under this act ~~, except as~~
12 ~~designated under section 8a(2) before December 1, 2010,~~ shall not
13 make a payment in lieu of taxes to any taxing jurisdiction within
14 the qualified local governmental unit in which the renaissance zone
15 is located.

16 (10) Notwithstanding any other provisions of this act, before
17 July 1, 2006, a qualified local governmental unit in which a
18 renaissance zone of less than 50 contiguous acres but more than 20
19 contiguous acres was designated under section 8 or 8a as a
20 renaissance zone in a city located in a county with a population of
21 more than 160,000 and less than 170,000 may modify the boundaries
22 of that renaissance zone to include a contiguous parcel of property
23 as determined by the qualified local governmental unit. The
24 contiguous parcel of property shall only include property that is
25 less than 12 acres in size. The additional contiguous parcel of
26 property included in a renaissance zone under this subsection does
27 not constitute an additional distinct geographic area under section

1 4(1)(d). If the boundaries of the renaissance zone are modified as
2 provided in this subsection, the additional contiguous parcel of
3 property shall become part of the original renaissance zone on the
4 same terms and conditions as the rest of the property in that
5 renaissance zone.

6 (11) Notwithstanding any other provisions of this act, before
7 July 1, 2006, a qualified local governmental unit in which a
8 renaissance zone of more than 500 acres was designated under
9 section 8 or 8a as a renaissance zone in a county with a population
10 of more than 61,000 and less than 64,000 may modify the boundaries
11 of that renaissance zone to include a contiguous parcel of property
12 as determined by the qualified local governmental unit. The
13 contiguous parcel of property shall only include property that is
14 less than 12 acres in size. The additional contiguous parcel of
15 property included in a renaissance zone under this subsection does
16 not constitute an additional distinct geographic area under section
17 4(1)(d). If the boundaries of the renaissance zone are modified as
18 provided in this subsection, the additional contiguous parcel of
19 property shall become part of the original renaissance zone on the
20 same terms and conditions as the rest of the property in that
21 renaissance zone.

22 (12) Notwithstanding any other provisions of this act, before
23 July 1, 2006, a qualified local governmental unit in which a
24 renaissance zone of more than 137 acres was designated under
25 section 8 or 8a as a renaissance zone in a county with a population
26 of more than 61,000 and less than 63,000 may modify the boundaries
27 of that renaissance zone to include a parcel of property that is

1 separated from the existing renaissance zone by a roadway as
2 determined by the qualified local governmental unit. The parcel of
3 property shall only include property that is less than 67 acres in
4 size. The additional contiguous parcel of property included in a
5 renaissance zone under this subsection does not constitute an
6 additional distinct geographic area under section 4(1)(d). If the
7 boundaries of the renaissance zone are modified as provided in this
8 subsection, the additional contiguous parcel of property shall
9 become part of the original renaissance zone on the same terms and
10 conditions as the rest of the property in that renaissance zone.

11 Sec. 8a. (1) Except as provided in subsections (2), (3), and
12 (4), the board shall not designate more than 9 additional
13 renaissance zones within this state under this section. Not more
14 than 6 of the renaissance zones shall be located in urban areas and
15 not more than 5 of the renaissance zones shall be located in rural
16 areas. For purposes of determining whether a renaissance zone is
17 located in an urban area or rural area under this section, if any
18 part of a renaissance zone is located within an urban area, the
19 entire renaissance zone shall be considered to be located in an
20 urban area.

21 (2) The board of the Michigan strategic fund described in
22 section 4 of the Michigan strategic fund act, 1984 PA 270, MCL
23 125.2004, may designate not more than 27 additional renaissance
24 zones within this state in 1 or more cities, villages, or townships
25 if that city, village, or township or combination of cities,
26 villages, or townships consents to the creation of a renaissance
27 zone within their boundaries. The board of the Michigan strategic

1 fund may designate not more than 1 of the 27 additional renaissance
2 zones described in this subsection as an alternative energy zone.
3 An alternative energy zone shall promote and increase the research,
4 development, testing, and manufacturing of alternative energy
5 technology, alternative energy systems, and alternative energy
6 vehicles, as those terms are defined in the Michigan next energy
7 authority act, 2002 PA 593, MCL 207.821 to 207.827. An alternative
8 energy zone shall have a duration of renaissance zone status for a
9 period not to exceed 20 years as determined by the board of the
10 Michigan strategic fund. The board of the Michigan strategic fund
11 may designate not more than 8 of the additional 27 renaissance
12 zones described in this subsection as a redevelopment renaissance
13 zone. A redevelopment renaissance zone shall promote the
14 redevelopment of existing industrial facilities or the development
15 of property for industrial purposes. The board of the Michigan
16 strategic fund may designate not more than 1 of the 27 additional
17 renaissance zones described in this subsection as a pharmaceutical
18 recovery renaissance zone. A pharmaceutical recovery renaissance
19 zone shall promote the development or redevelopment of existing
20 underutilized facilities currently occupied or formerly occupied by
21 a pharmaceutical company. Before designating a renaissance zone
22 under this subsection, the board of the Michigan strategic fund may
23 enter into a development agreement with the city, township, or
24 village in which the renaissance zone will be located and the owner
25 or developer of the facility or property located in the renaissance
26 zone. ~~The development agreement for a redevelopment renaissance~~
27 ~~zone described only in subsection (6) (b) (vi) or (vii) may provide for~~

1 ~~the payment of 1 or more of the taxes described in section 9.~~ Not
2 fewer than 3 of the 10 additional renaissance zones created under
3 this subsection on or after December 1, 2010 shall be located in
4 rural areas. Until the maximum number of qualified eligible next
5 Michigan businesses are certified under section ~~8h(10),~~ **8H(9)**, the
6 board shall not designate an additional renaissance zone under this
7 subsection if that additional renaissance zone would include a
8 business that is an eligible next Michigan business that is
9 eligible to be certified as a qualified eligible next Michigan
10 business under this act.

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

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

21 (5) Notwithstanding any other provision of this act, property
22 located in the alternative energy zone that is classified as
23 commercial real property under section 34c of the general property
24 tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the
25 concurrence of the assessor of the local tax collecting unit,
26 determines is not used to directly promote and increase the
27 research, development, testing, and manufacturing of alternative

1 energy technology, alternative energy systems, and alternative
2 energy vehicles as those terms are defined in the Michigan next
3 energy authority act, 2002 PA 593, MCL 207.821 to 207.827, is not
4 eligible for any exemption, deduction, or credit under section 9.

5 (6) EACH RENAISSANCE ZONE DESIGNATED UNDER THIS SECTION SHALL
6 BE 1 CONTINUOUS DISTINCT GEOGRAPHIC AREA.

7 (7) ~~(6)~~As used in this section:

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

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

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

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

19 (i) All of the following:

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

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

25 (ii) All of the following:

26 (A) Is located in a city with a population of more than 13,000
27 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 Sec. 8d. (1) ~~The~~ **THROUGH JUNE 30, 2014, THE** board of the
20 Michigan strategic fund described in section 4 of the Michigan
21 strategic fund act, 1984 PA 270, MCL 125.2004, may designate not
22 more than 35 tool and die renaissance recovery zones within this
23 state in 1 or more cities, villages, or townships if that city,
24 village, or township or combination of cities, villages, or
25 townships consents to the creation of a recovery zone within their
26 boundaries. A recovery zone shall have a duration of renaissance
27 zone status for a period of not less than 5 years and not more than

1 15 years as determined by the board of the Michigan strategic fund.
2 ~~IF~~ **THROUGH JUNE 30, 2014, IF** the Michigan strategic fund determines
3 that the duration of renaissance zone status for a recovery zone is
4 less than 15 years, then the Michigan strategic fund, with the
5 consent of the city, village, or township or combination of cities,
6 villages, or townships in which the qualified tool and die business
7 is located, may extend the duration of renaissance zone status for
8 the recovery zone for 1 or more periods that when combined do not
9 exceed 15 years. Not less than 1 of the recovery zones shall
10 consist of 1 or more qualified tool and die businesses that have a
11 North American industrial classification 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. **FOR DETERMINING THE NUMBER**
16 **OF QUALIFIED TOOL AND DIE BUSINESSES TO DESIGNATE A RECOVERY ZONE,**
17 **EACH PARCEL OF QUALIFIED TOOL AND DIE BUSINESS PROPERTY THAT IS NOT**
18 **CONTIGUOUS TO OTHER QUALIFIED TOOL AND DIE BUSINESS PROPERTY SHALL**
19 **BE CONSIDERED A SEPARATE QUALIFIED TOOL AND DIE BUSINESS.** If the
20 board of the Michigan strategic fund designated 1 or more recovery
21 zones that contain less than 20 qualified tool and die businesses
22 before December 19, 2005, **THROUGH JUNE 30, 2014,** the board of the
23 Michigan strategic fund may add additional qualified tool and die
24 businesses to that recovery zone subject to the limitations
25 contained in this subsection. A recovery zone shall consist of only
26 qualified tool and die business property. ~~The~~ **THROUGH JUNE 30,**
27 **2014, THE** board of the Michigan strategic fund may combine existing

1 recovery zones that are comprised solely of tool and die businesses
2 that are parties to the same qualified collaborative agreement.
3 ~~Where~~**THROUGH JUNE 30, 2014, WHERE** 2 or more recovery zones have
4 been combined, the board of the Michigan strategic fund may
5 continue to designate additional recovery zones, provided that no
6 more than 35 tool and die recovery zones exist at 1 time.

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

14 (4) ~~One~~**THROUGH JUNE 30, 2014, 1** or more qualified tool and
15 die businesses subject to a qualified collaborative agreement may
16 merge into another group of qualified tool and die businesses
17 subject to a different qualified collaborative agreement upon
18 application to and approval by the Michigan strategic fund.

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

22 (6) ~~The~~**THROUGH JUNE 30, 2014, THE** board of the Michigan
23 strategic fund may modify an existing recovery zone to add 1 or
24 more qualified tool and die businesses with the consent of all
25 other qualified tool and die businesses that are participating in
26 the recovery zone.

27 (7) ~~The~~**THROUGH JUNE 30, 2014, THE** board of the Michigan

1 strategic fund may modify an existing recovery zone to add
2 additional property under the same terms and conditions as the
3 existing recovery zone if all of the following are met:

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

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

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

17 (9) As used in this section:

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

21 (i) Sales and marketing efforts.

22 (ii) Development of standardized processes.

23 (iii) Development of tooling standards.

24 (iv) Standardized project management methods.

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

27 (b) "Qualified tool and die business" means a business entity

1 that meets all of the following:

2 (i) Has a North American industrial classification system
3 (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515; or
4 has a North American industrial classification system (NAICS) of
5 337215 and operates a facility within an existing renaissance zone,
6 which facility is adjacent to real property not located in a
7 renaissance zone and is located within 1/4 mile of a Michigan
8 technical education center.

9 (ii) Has entered into a qualified collaboration agreement as
10 approved by the Michigan strategic fund consisting of not fewer
11 than 4 or more than 20 other business entities at the time of
12 designation that have a North American industrial classification
13 system (NAICS) of 332997, 333511, 333512, 333513, 333514, or
14 333515.

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

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

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

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

14 Sec. 8h. (1) The board of the Michigan strategic fund
15 described in section 4 of the Michigan strategic fund act, 1984 PA
16 270, MCL 125.2004, upon the application of a next Michigan
17 development corporation, may designate next Michigan renaissance
18 zones for eligible next Michigan businesses within the boundaries
19 of a next Michigan development district **BY CERTIFYING THAT ELIGIBLE**
20 **NEXT MICHIGAN BUSINESS AS A QUALIFIED ELIGIBLE NEXT MICHIGAN**
21 **BUSINESS. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, EACH**
22 **QUALIFIED ELIGIBLE NEXT MICHIGAN BUSINESS SHALL BE LOCATED IN A**
23 **SEPARATE NEXT MICHIGAN RENAISSANCE ZONE.** ~~The number of next~~
24 ~~Michigan renaissance zones to be designated for a next Michigan~~
25 ~~development district that does not include an eligible urban entity~~
26 ~~as defined in the next Michigan development act shall equal the~~
27 ~~cumulative number of initial or subsequent local governmental unit~~

~~1 parties to the next Michigan development corporation interlocal
2 agreement, plus 1 additional next Michigan renaissance zone for
3 each county party to the interlocal agreement, but shall not exceed
4 12 for each next Michigan development district. The number of next
5 Michigan renaissance zones to be designated for a next Michigan
6 development district that includes an eligible urban entity as
7 defined in the next Michigan development act shall not exceed 12 as
8 determined by the president of the Michigan strategic fund. The
9 number shall not be reduced on account of a reduction in the number
10 of local government unit parties to the interlocal agreement from
11 time to time. The next Michigan development corporation shall make
12 recommendations to the board of the Michigan strategic fund as to
13 which areas shall be designated as next Michigan renaissance zones
14 for eligible next Michigan businesses under this act. The aggregate
15 territory of all next Michigan renaissance zones designated for a
16 next Michigan development corporation shall not exceed the lesser
17 of 200 acres times the number of next Michigan renaissance zones
18 designated for a next Michigan development corporation or 1,675
19 acres. A next Michigan renaissance zone shall have a duration of
20 renaissance zone status for a period of not less than 5 years and
21 not more than 10 years as determined by the board of the Michigan
22 strategic fund. Except as otherwise provided in this act, if the
23 board of the Michigan strategic fund determines that the duration
24 of renaissance zone status for a next Michigan renaissance zone is
25 less than 10 years, then the board of the Michigan strategic fund,
26 with the consent of the next Michigan development corporation and
27 with the consent of the city, village, or township in which the~~

1 ~~next Michigan renaissance zone is located, may extend the duration~~
2 ~~of renaissance zone status for the next Michigan renaissance zone~~
3 ~~for 1 or more periods that when combined do not exceed 10 years.~~

4 (2) The next Michigan development corporation shall make
5 recommendations to the board of the Michigan strategic fund to
6 certify an eligible next Michigan business as a qualified eligible
7 next Michigan business entitled to the exemptions, deductions, or
8 credits as provided in section 9. Upon the recommendation of a next
9 Michigan development corporation and subject to subsection ~~(10)~~,
10 (9), the board of the Michigan strategic fund may determine whether
11 an eligible next Michigan business should receive the benefits of a
12 renaissance zone and certify that eligible next Michigan business
13 as a qualified eligible next Michigan business under this act and
14 subject to a written agreement as provided in subsection ~~(8)~~—(7).
15 The board of the Michigan strategic fund shall establish a standard
16 process to evaluate applications for certification as a qualified
17 eligible next Michigan business and shall appoint a committee to
18 review the applications. The standard application process developed
19 by the board of the Michigan strategic fund shall be approved by a
20 resolution of the board of the Michigan strategic fund before an
21 eligible next Michigan business is certified as a qualified
22 eligible next Michigan business. The board of the Michigan
23 strategic fund shall certify or deny the application to certify an
24 eligible next Michigan business as a qualified eligible next
25 Michigan business within 49 days of receipt of the application that
26 is complete in all material respects as determined by the president
27 of the Michigan strategic fund. If the board of the Michigan

1 strategic fund fails to certify or deny the application for
2 certification within 49 days of receipt of the application that is
3 complete in all material respects as determined by the president of
4 the Michigan strategic fund, the application for certification is
5 considered approved. ~~If the board of the Michigan strategic fund~~
6 ~~denies the application for certification, the applicant may appeal~~
7 ~~that denial to the board of the Michigan strategic fund for~~
8 ~~reconsideration.~~ The president of the Michigan strategic fund shall
9 notify the next Michigan development corporation that the Michigan
10 strategic fund has certified a qualified eligible next Michigan
11 business in a next Michigan development district. The next Michigan
12 development corporation shall develop an application process for
13 eligible next Michigan businesses, which process shall be approved
14 by the board of the Michigan strategic fund. A next Michigan
15 development corporation shall not use the incentives provided in
16 this act primarily to recruit an eligible next Michigan business to
17 relocate from a location in this state to another location in this
18 state. A next Michigan development corporation shall not recommend
19 and the board of the Michigan strategic fund shall not certify an
20 eligible next Michigan business as a qualified eligible next
21 Michigan business unless that eligible next Michigan business opens
22 a new location in this state, locates in this state, or is an
23 existing business located in this state that will materially expand
24 its business in this state as determined by the board of the
25 Michigan strategic fund. However, the board of the Michigan
26 strategic fund shall not certify an eligible next Michigan business
27 as a qualified eligible next Michigan business if the principal

1 economic effect of the expansion or location of the eligible next
2 Michigan business into a next Michigan development district is the
3 transfer of employment from 1 or more cities, villages, or
4 townships in this state to the next Michigan development district
5 and each order or resolution certifying an eligible next Michigan
6 business as a qualified eligible next Michigan business shall
7 contain an express finding, based upon competent and material
8 evidence in the record, of compliance with the requirements of this
9 subsection. Any transfer of employment from 1 or more cities,
10 villages, and townships in this state to a next Michigan
11 development district resulting from the expansion or location of an
12 eligible next Michigan business into a next Michigan development
13 district in which the aggregate number of transferred full-time
14 employees is less than 15% of the total number of full-time
15 employees proposed to be located in the next Michigan development
16 district by the eligible next Michigan business shall be
17 conclusively presumed to not be a principal economic effect of the
18 expansion or location. In the event that a transfer of employment
19 will occur resulting from the expansion or location of an eligible
20 next Michigan business into a next Michigan development district,
21 the board of the Michigan strategic fund shall provide written
22 notice of the order or resolution certifying the eligible next
23 Michigan business as a qualifying next Michigan business to the
24 chief executive officer of each county, city, village, and township
25 from which the transfer of employment will occur within 10 days of
26 the order or resolution certifying the qualified eligible next
27 Michigan business. The chief executive officer of each county,

1 city, village, and township notified under this subsection shall
2 have 30 days to file an appeal of the certification with the board
3 of the Michigan strategic fund. The board of the Michigan strategic
4 fund shall decide the appeal within 45 days of the receipt of the
5 appeal. The board of the Michigan strategic fund shall not certify
6 an eligible next Michigan business as a qualified eligible next
7 Michigan business if the business applicant has been convicted of a
8 felony and the board of the Michigan strategic fund has determined
9 that the conviction will have a material impact on the business
10 applicant's ability to fulfill its obligations under this act. As
11 used in this subsection, the business applicant includes the
12 business entity, affiliates, subsidiaries, officers, directors,
13 managerial employees, and any person who, directly or indirectly,
14 holds a pecuniary interest in that business entity of 20% or more.

15 (3) Upon request of the next Michigan development corporation,
16 the board of the Michigan strategic fund may modify an existing
17 next Michigan renaissance zone to add additional property under the
18 same terms and conditions as the existing next Michigan renaissance
19 zone if all of the following are met:

20 (a) The additional real property is located within the
21 boundaries of the next Michigan development district and will be
22 owned or operated by a qualified eligible next Michigan business
23 once it is brought into operation as determined by the board of the
24 Michigan strategic fund.

25 (b) The next Michigan development corporation and the city,
26 village, or township in which the qualified eligible next Michigan
27 business is located consent to the modification.

1 (c) The aggregate territory limitations provided in subsection
2 (1) will not be exceeded.

3 (4) A qualified eligible next Michigan business in a next
4 Michigan renaissance zone shall be granted the benefits of
5 renaissance zone status for a period of up to 15 years.

6 (5) The board of the Michigan strategic fund may revoke the
7 designation of all or a portion of a next Michigan renaissance zone
8 or the certification of a qualified eligible next Michigan business
9 if the board of the Michigan strategic fund determines 1 or more of
10 the following:

11 (a) The qualified eligible next Michigan business proposed in
12 the application fails, or a preponderance of businesses proposed in
13 the application fail, to commence operation within 2 years from the
14 date of the certification as a qualified eligible next Michigan
15 business.

16 (b) The qualified eligible next Michigan business proposed in
17 the application to commence operation within the next Michigan
18 renaissance zone ceases operation, provided that designation shall
19 not be revoked if the qualified eligible next Michigan business has
20 assigned its rights to a successor entity engaged in a qualified
21 eligible next Michigan business **AND THAT ASSIGNMENT HAS BEEN**
22 **APPROVED BY THE MICHIGAN STRATEGIC FUND.**

23 (c) The qualified eligible next Michigan business proposed in
24 the application to commence operation within the next Michigan
25 renaissance zone fails to commence construction or renovation
26 within 1 year from the date of the certification as a qualified
27 eligible next Michigan business.

1 (d) The qualified eligible next Michigan business fails to
2 meet jobs and investment criteria set forth in the application and
3 approved as a condition by the president or the board of the
4 Michigan strategic fund.

5 (e) The local governmental unit in which the qualified
6 eligible next Michigan business is located withdraws from the next
7 Michigan development corporation interlocal agreement, provided
8 that the tax incentives previously granted to the qualified
9 eligible next Michigan business shall remain in full force and
10 effect for the stated term of the tax incentives so long as the
11 qualified eligible next Michigan business satisfies all of the
12 conditions upon which the tax incentives were granted.

13 ~~—— (6) If the designation of all or a portion of a next Michigan~~
14 ~~renaissance zone or the certification of a qualified eligible next~~
15 ~~Michigan business is revoked, a qualified eligible next Michigan~~
16 ~~business affected may appeal that revocation to the board of the~~
17 ~~Michigan strategic fund. The designation may subsequently be~~
18 ~~restored by the board of the Michigan strategic fund to the same~~
19 ~~site and in respect of a qualified eligible next Michigan business,~~
20 ~~but the duration of the restored designation shall not exceed the~~
21 ~~term of the original designation.~~

22 (6) ~~(7)~~ Upon request of the next Michigan development
23 corporation, the board of the Michigan strategic fund may extend
24 the duration of renaissance zone status for 1 or more portions of a
25 next Michigan renaissance zone if the extension will increase
26 capital investment or job creation, and the next Michigan
27 development corporation and the city, village, or township in which

1 that portion of the next Michigan renaissance zone is located
2 consents to extend the duration of renaissance zone status. The
3 board of the Michigan strategic fund may extend renaissance zone
4 status for 1 or more portions of the next Michigan renaissance zone
5 under this subsection for a period of time not to exceed 5
6 additional years as determined by the board of the Michigan
7 strategic fund.

8 (7) ~~(8)~~—Before an eligible next Michigan business is certified
9 as a qualified eligible next Michigan business, the board of the
10 Michigan strategic fund shall enter into a written agreement with
11 the next Michigan development corporation and a qualified eligible
12 next Michigan business in respect of the terms and conditions of
13 granting and retaining renaissance zone status, certification as a
14 qualified eligible next Michigan business, and any other related
15 matters. The written agreement also shall contain a remedy
16 provision that includes, but is not limited to, all of the
17 following:

18 (a) A requirement that all or a portion of the exemptions,
19 deductions, or credits described in section 9 shall be revoked
20 under the procedures set forth in this act if the qualified
21 eligible next Michigan business is determined to be in violation of
22 the provisions of this act or the written agreement or relocates
23 outside the next Michigan development district for a period of
24 years after renaissance zone status expires as set forth in the
25 written agreement.

26 (b) A requirement that the qualified eligible next Michigan
27 business may be required to repay all or a portion of the

1 exemptions, deductions, or credits described in section 9 if the
2 qualified eligible next Michigan business is determined to be in
3 violation of the provisions of this act or the written agreement or
4 relocates outside the next Michigan development district for a
5 period of years after renaissance zone status expires as set forth
6 in the written agreement.

7 (8) ~~(9)~~—Except as otherwise provided in this subsection, the
8 commencement of renaissance zone status under this section shall
9 take effect on January 1 in the year following designation.

10 However, for purposes of the taxes exempted under section 9(2), the
11 commencement of renaissance zone status under this section shall
12 take effect on December 31 in the year immediately preceding the
13 year in which the commencement under this section takes effect.

14 (9) ~~(10)~~—The board of the Michigan strategic fund shall not
15 certify more than ~~25~~35 eligible businesses as qualified eligible
16 next Michigan businesses under this act. The board of the Michigan
17 strategic fund shall not certify more than 10 eligible businesses
18 as qualified eligible next Michigan businesses in a next Michigan
19 development district as defined in the next Michigan development
20 act.

21 Sec. 15. The ~~department of Michigan jobs commission~~ **MICHIGAN**
22 **STRATEGIC FUND** shall annually report to the legislature on the
23 economic effects of this act in each renaissance zone. The report
24 shall include, but is not limited to, all of the following for each
25 renaissance zone:

26 (a) Number of new jobs created.

27 (b) Percentage change in aggregate taxable value and state

1 equalized value.

2 (c) Average wage of new jobs created.

3 ~~(d) Percentage change of adjusted gross income of residents.~~