

Act No. 474
Public Acts of 2018
Approved by the Governor
December 24, 2018
Filed with the Secretary of State
December 27, 2018
EFFECTIVE DATE: December 27, 2018

**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senator Stamas

ENROLLED SENATE BILL No. 1130

AN ACT to amend 1996 PA 376, entitled "An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials," by amending sections 8c and 8e (MCL 125.2688c and 125.2688e), section 8c as amended by 2006 PA 284 and section 8e as amended by 2008 PA 329.

The People of the State of Michigan enact:

Sec. 8c. (1) The board, upon recommendation of the board of the Michigan strategic fund defined in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, and upon recommendation of the commission of agriculture, may designate not more than 30 additional renaissance zones for agricultural processing facilities within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a renaissance zone for an agricultural processing facility within their boundaries.

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

(3) The board may revoke the designation of all or a portion of a renaissance zone for an agricultural processing facility if the board determines that the agricultural processing facility does 1 or more of the following in a renaissance zone designated under this section:

(a) Fails to commence operation.

(b) Ceases operation.

(c) Fails to commence construction or renovation within 1 year from the date the renaissance zone for the agricultural processing facility is designated.

(4) A facility previously approved as a renaissance zone for a renewable energy facility on or before December 31, 2009 shall become renewed as a renaissance zone designated for an agricultural processing facility as of the date the renewable energy renaissance zone was revoked and for the remaining term of the original renewable energy renaissance zone as designated by the board, subject to eligibility under this act and compliance with a development agreement, if all of the following apply:

(a) The facility utilized the same wastewater discharge renewable feedstock to produce an approved agricultural product continuously from the time the renewable energy renaissance zone designation was revoked to the application for renewal as an agricultural processing facility.

(b) The facility maintained at least 10 jobs continuously from the time the renewable energy renaissance zone designation was revoked to the application for renewal as an agricultural processing facility.

(c) The facility certifies that it acted in good faith when changing its product and was at all times eligible for renaissance zone designation under section 8e before it was revoked.

(d) The facility enters into a development agreement with the Michigan strategic fund.

(e) The development agreement provides that the facility shall not attempt to recover taxes or fees collected by the taxing jurisdiction of that facility during the time the renaissance zone designation was revoked.

(5) Beginning on July 10, 2006, the board shall consider all of the following when designating a renaissance zone for an agricultural processing facility:

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

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

(c) The viability of the project.

(d) The economic impact on the community in which the agricultural processing facility is located.

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

(6) Beginning on July 10, 2006, the board shall do all of the following:

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

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

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

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

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

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

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

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

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

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

(8) The renewal of a renaissance zone for an agricultural facility under subsection (4) shall not be considered a designation under subsection (1).

(9) Upon agreement between the board and the city, village, or township in which the facility described in subsection (4) is located, the term of the renaissance zone status for that agricultural processing facility may be extended for an additional 2 years as provided in the agreement.

Sec. 8e. (1) The board, upon recommendation of the board of the Michigan strategic fund defined in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, and upon recommendation of the commission of agriculture if the renewable energy facility uses agricultural crops or residues, or processed products from agricultural crops as its primary raw material source, may designate not more than 15 additional renaissance zones for renewable energy facilities within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a renaissance zone for a renewable energy facility within their boundaries. Not fewer than 5 of the renaissance zones for renewable energy facilities shall be designated for renewable energy facilities that focus primarily on the production of cellulosic biofuels.

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

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

(a) Fails to commence operation.

(b) Ceases operation.

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

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

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

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

(c) The viability of the project.

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

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

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

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

(6) Until the maximum number of additional renaissance zones for renewable energy facilities described in subsection (1) is met, if the board designates a renaissance zone under this section; section 8c, except for a renaissance zone designated for an agricultural processing facility under section 8c(4); or section 8f for a facility that is a forest products processing facility or an agricultural processing facility and that also meets the definition of a renewable energy facility, then the board shall only designate that renaissance zone as a renaissance zone for a renewable energy facility under this section.

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

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

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

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

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

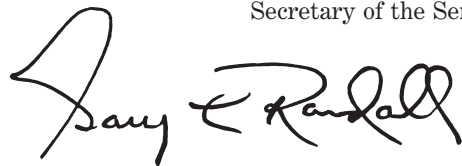
(iii) The percentage of raw materials purchased in this state.

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

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

.....
Governor