

SENATE BILL NO. 625

May 26, 1999, Introduced by Senators SCHUETTE, ROGERS, GOSCHKA, STEIL, HOFFMAN, JOHNSON, HAMMERSTROM, DUNASKISS, SIKKEMA, BENNETT, GOUGEON, STILLE, GAST, SCHWARZ, SHUGARS, MC MANUS, NORTH, KOIVISTO, MC COTTER, EMERSON, MILLER and V. SMITH and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending the title and sections 3, 4, 5, 6, and 8
(MCL 125.2683, 125.2684, 125.2685, 125.2686, and 125.2688) and by
adding section 8a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to create AND EXPAND certain renaissance zones; to
3 foster economic opportunities in this state; to facilitate eco-
4 nomic development; to stimulate industrial, commercial, and resi-
5 dential improvements; to prevent physical and infrastructure
6 deterioration of geographic areas in this state; to authorize
7 expenditures; to provide exemptions and credits from certain
8 taxes; to create certain obligations of this state and local
9 governmental units; to require disclosure of certain transactions

1 and gifts; to provide for appropriations; and to prescribe the
2 powers and duties of certain state and local departments, agen-
3 cies, and officials.

4 Sec. 3. As used in this act:

5 (a) "Board" means the state administrative board created in
6 ~~Act No. 2 of the Public Acts of 1921, being sections 17.1 to~~
7 ~~17.3 of the Michigan Compiled Laws~~ 1921 PA 2, MCL 17.1 TO 17.3.

8 (b) "Development plan" means a written plan that addresses
9 the criteria in section 7 and includes all of the following:

10 (i) A map of the proposed renaissance zone that indicates
11 the geographic boundaries, the total area, and the present use
12 and conditions generally of the land and structures within those
13 boundaries.

14 (ii) Evidence of community support and commitment from resi-
15 dential and business interests.

16 (iii) A description of the methods proposed to increase eco-
17 nomic opportunity and expansion, facilitate infrastructure
18 improvement, and identify job training opportunities.

19 (iv) Current social, economic, and demographic characteris-
20 tics of the proposed renaissance zone and anticipated improve-
21 ments in education, health, human services, public safety, and
22 employment if the renaissance zone is created.

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

24 (c) "Elected county executive" means the elected county
25 executive in a county organized under ~~Act No. 293 of the Public~~
26 ~~Acts of 1966, being sections 45.501 to 45.521 of the Michigan~~
27 ~~Compiled Laws~~ 1966 PA 293, MCL 45.501 TO 45.521, or ~~Act No. 139~~

~~1 of the Public Acts of 1973, being sections 45.551 to 45.573 of~~
~~2 the Michigan Compiled Laws~~ 1973 PA 139, MCL 45.551 TO 45.573.

3 (d) "Local governmental unit" means a county, city, village,
4 or township.

5 (e) "Person" means an individual, partnership, corporation,
6 association, limited liability company, governmental entity, or
7 other legal entity.

8 (f) "Qualified local governmental unit" means either of the
9 following:

10 (i) A county.

11 (ii) A city, village, or township that contains an eligible
12 distressed area as defined in section 11 of the state housing
13 development authority act of 1966, ~~Act No. 346 of the Public~~
14 ~~Acts of 1966, being section 125.1411 of the Michigan Compiled~~
15 ~~Laws~~ 1966 PA 346, MCL 125.1411.

16 (g) "Renaissance zone" means a geographic area ~~so~~ desig-
17 nated ~~by the board~~ under this act.

18 (h) "Residential rental property" means that term as defined
19 in section 7ff of the general property tax act, ~~Act No. 206 of~~
20 ~~the Public Acts of 1893, being section 211.7ff of the Michigan~~
21 ~~Compiled Laws~~ 1893 PA 206, MCL 211.7FF.

22 (i) "Review board" means the renaissance zone review board
23 created in section 5.

24 (j) "Rural area" means an area that lies outside of the
25 boundaries of an urban area.

1 (k) "Urban area" means an urbanized area as determined by
2 the economics and statistics administration, United States bureau
3 of the census according to the 1990 census.

4 Sec. 4. (1) One or more qualified local governmental units
5 may apply to the review board to designate the qualified local
6 governmental unit or units as a renaissance zone if all of the
7 following criteria are met:

8 (a) The geographic area of the proposed renaissance zone is
9 located within the boundaries of the qualified local governmental
10 unit or units that apply.

11 (b) The application includes a development plan.

12 (c) The proposed renaissance zone is not more than 5,000
13 acres in size.

14 (d) The renaissance zone does not contain more than ~~6~~ 10
15 distinct geographic areas. ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN
16 THIS SUBDIVISION, THE minimum size of a distinct geographic area
17 is ~~as follows:~~ NOT LESS THAN 5 ACRES. A QUALIFIED LOCAL GOV-
18 ERNMENTAL UNIT OR UNITS MAY DESIGNATE NOT MORE THAN 4 DISTINCT
19 GEOGRAPHIC AREAS IN EACH RENAISSANCE ZONE TO HAVE NO MINIMUM SIZE
20 REQUIREMENT.

21 ~~(i) For a distinct geographic area that is wholly or partly~~
22 ~~within a city with a population over 500,000, the distinct geo-~~
23 ~~graphic area is not less than 30 acres.~~

24 ~~(ii) For a distinct geographic area that is located wholly~~
25 ~~or partially within a village, the distinct geographic area is~~
26 ~~not less than 10 acres.~~

1 ~~(iii) For a distinct geographic area other than in an area~~
2 ~~described in subparagraph (i) or (ii), the distinct geographic~~
3 ~~area is not less than 20 acres.~~

4 ~~(e) That not more than 50% of the real property in each dis-~~
5 ~~tinct geographic area described in subdivision (d) is owned by~~
6 ~~the same person.~~

7 (E) ~~-(f)-~~ The application includes the proposed duration of
8 renaissance zone status, not to exceed 15 years.

9 (F) ~~-(g)-~~ If the qualified local governmental unit has an
10 elected county executive, the county executive's written approval
11 of the application.

12 (G) ~~-(h)-~~ If the qualified local governmental unit is a
13 city, that city's mayor's written approval of the application.

14 (2) A qualified local governmental unit shall not be a part
15 of more than 1 renaissance zone.

16 (3) A qualified local governmental unit may submit not more
17 than 1 application to the review board for designation as a
18 renaissance zone. A resolution provided by a city, village, or
19 township under section 7(2) does not constitute an application of
20 a city, village, or township for a renaissance zone under this
21 act.

22 (4) For a distinct geographic area described in subsection
23 ~~-(1)(d)(ii)-~~ (1)(D), a village may include publicly owned land
24 within the boundaries of any distinct geographic area.

25 (5) THROUGH DECEMBER 31, 2002, A QUALIFIED LOCAL GOVERNMEN-
26 TAL UNIT OR UNITS IN WHICH A RENAISSANCE ZONE WAS DESIGNATED
27 UNDER SECTION 8 MAY DESIGNATE ADDITIONAL DISTINCT GEOGRAPHIC

1 AREAS NOT TO EXCEED A TOTAL OF 10 DISTINCT GEOGRAPHIC AREAS UPON
2 APPLICATION TO AND APPROVAL BY THE BOARD. THE ADDITIONAL DIS-
3 TINCT GEOGRAPHIC AREAS SHALL HAVE THE DURATION OF RENAISSANCE
4 ZONE STATUS AS DETERMINED BY THE QUALIFIED LOCAL GOVERNMENTAL
5 UNIT NOT TO EXCEED 15 YEARS EXCEPT AS PROVIDED IN SUBSECTION
6 (6).

7 (6) IF A QUALIFIED LOCAL GOVERNMENTAL UNIT OR UNITS DESIG-
8 NATE ADDITIONAL DISTINCT GEOGRAPHIC AREAS IN A RENAISSANCE ZONE
9 UNDER SUBSECTION (5), THE QUALIFIED LOCAL GOVERNMENTAL UNIT OR
10 UNITS MAY EXTEND THE DURATION OF THE RENAISSANCE ZONE STATUS OF
11 ALL DISTINCT GEOGRAPHIC AREAS IN THAT RENAISSANCE ZONE SO THAT
12 THE RENAISSANCE ZONE STATUS OF ALL DISTINCT GEOGRAPHIC AREAS
13 WITHIN THAT RENAISSANCE ZONE ENDS AT THE SAME TIME.

14 Sec. 5. (1) The renaissance zone review board is created.
15 The review board shall consist of ~~all of the following:~~ THE
16 BOARD OF THE MICHIGAN STRATEGIC FUND DESCRIBED IN SECTION 4 OF
17 THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004.

18 ~~(a) The director of the department of management and~~
19 ~~budget, or his or her designee.~~

20 ~~(b) The chief executive officer of the Michigan jobs commis-~~
21 ~~sion, or his or her designee.~~

22 ~~(c) The state treasurer, or his or her designee.~~

23 (2) The review board shall review all applications submitted
24 by qualified local governmental units and make recommendations to
25 the board for approval based on the criteria contained in section
26 7.

1 (3) The review board and the board shall not consider an
2 application if the application was submitted after September 30,
3 1996 FOR DESIGNATIONS UNDER SECTION 8.

4 (4) Members of the board and the review board shall serve
5 without compensation for their membership on the board and the
6 review board, but members of the board and the review board may
7 receive reasonable reimbursement for necessary travel and
8 expenses.

9 Sec. 6. (1) The board shall review all recommendations sub-
10 mitted by the review board and determine which applications meet
11 the criteria contained in section 7.

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

13 (a) Designate renaissance zones.

14 (b) Subject to subsection (3), approve or reject the dura-
15 tion of renaissance zone status as submitted in the application,
16 not to exceed 15 years EXCEPT AS PROVIDED IN SECTION 4(6).

17 (c) Subject to subsection (3), approve or reject the geo-
18 graphic boundaries and the total area of the renaissance zone as
19 submitted in the application.

20 (3) The board shall not alter the geographic boundaries of
21 the renaissance zone or the duration of renaissance zone status
22 described in the application unless the qualified local govern-
23 mental unit or units and the local governmental unit or units in
24 which the renaissance zone is to be located consent by resolution
25 to the alteration.

26 (4) The board shall not designate a renaissance zone UNDER
27 SECTION 8 before November 1, 1996 or after December 31, 1996.

1 (5) The designation of a renaissance zone under this act
2 shall take effect on January 1 ~~—, 1997—~~ IN THE YEAR FOLLOWING
3 DESIGNATION. However, for purposes of the taxes exempted under
4 section 9(2), the designation of a renaissance zone under this
5 act shall take effect on December 31 ~~—, 1996—~~ IN THE YEAR OF
6 DESIGNATION.

7 (6) THE BOARD SHALL NOT DESIGNATE A RENAISSANCE ZONE UNDER
8 SECTION 8A AFTER DECEMBER 31, 2002.

9 Sec. 8. (1) Except as provided in subsection (2) AND SEC-
10 TION 8A, the board shall not designate more than 9 renaissance
11 zones within this state. Not more than 6 of the renaissance
12 zones shall be located in urban areas and not more than 4 of the
13 renaissance zones shall be located in rural areas. For purposes
14 of determining whether a renaissance zone is located in an urban
15 area or rural area under this section, if any part of a renaiss-
16 sance zone is located within an urban area, the entire renaiss-
17 sance zone shall be considered to be located in an urban area.

18 (2) The board may designate additional renaissance zones
19 within this state in 1 or more qualified local governmental units
20 if that qualified local governmental unit or units contain a mil-
21 itary installation that was operated by the United States depart-
22 ment of defense and has closed after 1990.

23 ~~—(3) A list of the renaissance zones designated by the board~~
24 ~~shall be submitted to the legislature, which, by concurrent reso-~~
25 ~~lution adopted by a majority vote of those elected to and serving~~
26 ~~in each house, on a record roll call vote, may reject the entire~~

~~1 list no later than December 30 of the year in which this act
2 becomes effective.~~

3 SEC. 8A. (1) EXCEPT AS PROVIDED IN SUBSECTION (2), THE
4 BOARD SHALL NOT DESIGNATE MORE THAN 9 ADDITIONAL RENAISSANCE
5 ZONES WITHIN THIS STATE UNDER THIS SECTION. NOT MORE THAN 6 OF
6 THE RENAISSANCE ZONES SHALL BE LOCATED IN URBAN AREAS AND NOT
7 MORE THAN 4 OF THE RENAISSANCE ZONES SHALL BE LOCATED IN RURAL
8 AREAS. FOR PURPOSES OF DETERMINING WHETHER A RENAISSANCE ZONE IS
9 LOCATED IN AN URBAN AREA OR RURAL AREA UNDER THIS SECTION, IF ANY
10 PART OF A RENAISSANCE ZONE IS LOCATED WITHIN AN URBAN AREA, THE
11 ENTIRE RENAISSANCE ZONE SHALL BE CONSIDERED TO BE LOCATED IN AN
12 URBAN AREA.

13 (2) THE BOARD OF THE MICHIGAN STRATEGIC FUND DESCRIBED IN
14 SECTION 4 OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270,
15 MCL 125.2004, MAY DESIGNATE NOT MORE THAN 5 ADDITIONAL RENAISSANCE
16 ZONES WITHIN THIS STATE IN 1 OR MORE LOCAL GOVERNMENTAL
17 UNITS IF THAT LOCAL GOVERNMENTAL UNIT OR UNITS CONSENT TO THE
18 CREATION OF A RENAISSANCE ZONE WITHIN THEIR BOUNDARIES.