

**SUBSTITUTE FOR
SENATE BILL NO. 919**

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 6 and 8 (MCL 125.2686 and 125.2688), section 6
as amended by 2006 PA 116 and section 8 as amended by 2003 PA 266,
and by adding section 8e.

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) The designation of a renaissance zone under this act shall
15 take effect on January 1 in the year following designation.
16 However, for purposes of the taxes exempted under section 9(2), the
17 designation of a renaissance zone under this act shall take effect
18 on December 31 in the year of designation.

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

21 (7) Through December 31, 2002, a qualified local governmental
22 unit in which a renaissance zone was designated under section 8 or
23 8a may modify the boundaries of that renaissance zone to include
24 contiguous parcels of property as determined by the qualified local
25 governmental unit and approval by the review board. The additional
26 contiguous parcels of property included in a renaissance zone under
27 this subsection do not constitute an additional distinct geographic

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

6 (8) Notwithstanding any other provisions of this act, before
7 July 1, 2004, a qualified local governmental unit in which a
8 renaissance zone was designated under section 8a(1) as a
9 renaissance zone located in a rural area may modify the boundaries
10 of that renaissance zone to include a contiguous parcel of property
11 as determined by the qualified local governmental unit. The
12 contiguous parcel of property shall only include property that is
13 less than .5 acres in size and that the qualified local
14 governmental unit previously sought to have included in the zone by
15 submitting an application in February 2002 that was not acted upon
16 by the review board. The additional contiguous parcel of property
17 included in a renaissance zone under this subsection does not
18 constitute an additional distinct geographic area under section
19 4(1)(d). If the boundaries of the renaissance zone are modified as
20 provided in this subsection, the additional contiguous parcel of
21 property shall become part of the original renaissance zone on the
22 same terms and conditions as the rest of the property in that
23 renaissance zone.

24 (9) A business that is located and conducts business activity
25 within a renaissance zone designated under section 8(1) and (2),
26 8a(1) and (3), 8c(1), ~~or~~ 8d(1), **OR 8E** shall not make a payment in
27 lieu of taxes to any taxing jurisdiction within the qualified local

1 governmental unit in which the renaissance zone is located.

2 (10) Notwithstanding any other provisions of this act, before
3 July 1, 2006, a qualified local governmental unit in which a
4 renaissance zone of less than 50 contiguous acres but more than 20
5 contiguous acres was designated under section 8 or 8a as a
6 renaissance zone in a city located in a county with a population of
7 more than 160,000 and less than 170,000 may modify the boundaries
8 of that renaissance zone to include a contiguous parcel of property
9 as determined by the qualified local governmental unit. The
10 contiguous parcel of property shall only include property that is
11 less than 12 acres in size. The additional contiguous parcel of
12 property included in a renaissance zone under this subsection does
13 not constitute an additional distinct geographic area under section
14 4(1)(d). If the boundaries of the renaissance zone are modified as
15 provided in this subsection, the additional contiguous parcel of
16 property shall become part of the original renaissance zone on the
17 same terms and conditions as the rest of the property in that
18 renaissance zone.

19 (11) Notwithstanding any other provisions of this act, before
20 July 1, 2006, a qualified local governmental unit in which a
21 renaissance zone of more than 500 acres was designated under
22 section 8 or 8a as a renaissance zone in a county with a population
23 of more than 61,000 and less than 64,000 may modify the boundaries
24 of that renaissance zone to include a contiguous parcel of property
25 as determined by the qualified local governmental unit. The
26 contiguous parcel of property shall only include property that is
27 less than 12 acres in size. The additional contiguous parcel of

1 property included in a renaissance zone under this subsection does
2 not constitute an additional distinct geographic area under section
3 4(1)(d). If the boundaries of the renaissance zone are modified as
4 provided in this subsection, the additional contiguous parcel of
5 property shall become part of the original renaissance zone on the
6 same terms and conditions as the rest of the property in that
7 renaissance zone.

8 (12) Notwithstanding any other provisions of this act, before
9 July 1, 2006, a qualified local governmental unit in which a
10 renaissance zone of more than 137 acres was designated under
11 section 8 or 8a as a renaissance zone in a county with a population
12 of more than 61,000 and less than 63,000 may modify the boundaries
13 of that renaissance zone to include a parcel of property that is
14 separated from the existing renaissance zone by a roadway as
15 determined by the qualified local governmental unit. The parcel of
16 property shall only include property that is less than 67 acres in
17 size. The additional contiguous parcel of property included in a
18 renaissance zone under this subsection does not constitute an
19 additional distinct geographic area under section 4(1)(d). If the
20 boundaries of the renaissance zone are modified as provided in this
21 subsection, the additional contiguous parcel of property shall
22 become part of the original renaissance zone on the same terms and
23 conditions as the rest of the property in that renaissance zone.

24 Sec. 8. (1) Except as provided in subsection (2), section 8a,
25 section 8c, ~~and~~ section 8d, **AND SECTION 8E**, the board shall not
26 designate more than 9 renaissance zones within this state. Not more
27 than 6 of the renaissance zones shall be located in urban areas and

1 not more than 4 of the renaissance zones shall be located in rural
2 areas. For purposes of determining whether a renaissance zone is
3 located in an urban area or rural area under this section, if any
4 part of a renaissance zone is located within an urban area, the
5 entire renaissance zone shall be considered to be located in an
6 urban area.

7 (2) The board may designate additional renaissance zones
8 within this state in 1 or more qualified local governmental units
9 if that qualified local governmental unit or units contain a
10 military installation that was operated by the United States
11 department of defense and has closed after 1990.

12 (3) Each renaissance zone designated by the board under
13 section 8a shall be submitted to the legislature, which, by
14 concurrent resolution adopted by a majority vote of those elected
15 to and serving in each house, on a record roll call vote, may
16 reject that designation no later than the earlier of 45 days
17 following the date of the designation by the board or December 31
18 of the year of designation.

19 **SEC. 8E. (1) THE BOARD, UPON RECOMMENDATION OF THE BOARD OF**
20 **THE MICHIGAN STRATEGIC FUND DEFINED IN SECTION 4 OF THE MICHIGAN**
21 **STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004, MAY DESIGNATE NOT**
22 **MORE THAN 10 ADDITIONAL RENAISSANCE ZONES FOR FOREST PRODUCTS**
23 **PROCESSING FACILITIES WITHIN THIS STATE IN 1 OR MORE CITIES,**
24 **VILLAGES, OR TOWNSHIPS IF THAT CITY, VILLAGE, OR TOWNSHIP OR**
25 **COMBINATION OF CITIES, VILLAGES, OR TOWNSHIPS CONSENTS TO THE**
26 **CREATION OF A RENAISSANCE ZONE FOR A FOREST PRODUCTS PROCESSING**
27 **FACILITY WITHIN THEIR BOUNDARIES. THE BOARD SHALL DESIGNATE NOT**

1 MORE THAN 5 RENAISSANCE ZONES FOR A FOREST PRODUCTS PROCESSING
2 FACILITY EACH YEAR UNTIL THE MAXIMUM NUMBER OF RENAISSANCE ZONES
3 FOR A FOREST PRODUCTS PROCESSING FACILITY IS MET.

4 (2) EACH RENAISSANCE ZONE DESIGNATED FOR A FOREST PRODUCTS
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 A FOREST PRODUCTS PROCESSING FACILITY IF
9 THE BOARD DETERMINES THAT THE FOREST PRODUCTS PROCESSING FACILITY
10 DOES 1 OR MORE OF THE FOLLOWING IN A RENAISSANCE ZONE DESIGNATED
11 UNDER 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 FOREST PRODUCTS
16 PROCESSING FACILITY IS DESIGNATED.

17 (4) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
18 ADDED THIS SUBSECTION, THE BOARD SHALL CONSIDER ALL OF THE
19 FOLLOWING WHEN DESIGNATING A RENAISSANCE ZONE FOR A FOREST PRODUCTS
20 PROCESSING FACILITY:

21 (A) THE ECONOMIC IMPACT ON LOCAL SUPPLIERS WHO SUPPLY RAW
22 MATERIALS, GOODS, AND SERVICES TO THE FOREST PRODUCTS 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 FOREST

1 PRODUCTS PROCESSING FACILITY IS LOCATED.

2 (E) WHETHER THE FOREST PRODUCTS PROCESSING FACILITY CAN BE
3 LOCATED IN AN EXISTING RENAISSANCE ZONE DESIGNATED UNDER SECTION 8
4 OR 8A.

5 (5) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
6 ADDED THIS SUBSECTION, THE BOARD SHALL REQUIRE A DEVELOPMENT
7 AGREEMENT BETWEEN THE MICHIGAN STRATEGIC FUND AND THE FOREST
8 PRODUCTS PROCESSING FACILITY.

9 (6) AS USED IN THIS SECTION, "DEVELOPMENT AGREEMENT" MEANS A
10 WRITTEN AGREEMENT BETWEEN THE MICHIGAN STRATEGIC FUND AND THE
11 FOREST PRODUCTS PROCESSING FACILITY THAT INCLUDES, BUT IS NOT
12 LIMITED TO, ALL OF THE FOLLOWING:

13 (A) A REQUIREMENT THAT THE FOREST PRODUCTS PROCESSING FACILITY
14 COMPLY WITH ALL STATE AND LOCAL LAWS.

15 (B) A REQUIREMENT THAT THE FOREST PRODUCTS PROCESSING FACILITY
16 REPORT ANNUALLY TO THE MICHIGAN STRATEGIC FUND ON ALL OF THE
17 FOLLOWING:

18 (i) THE AMOUNT OF CAPITAL INVESTMENT MADE AT THE FACILITY.

19 (ii) THE NUMBER OF INDIVIDUALS EMPLOYED AT THE FACILITY AT THE
20 BEGINNING AND END OF THE REPORTING PERIOD AS WELL AS THE NUMBER OF
21 INDIVIDUALS TRANSFERRED TO THE FACILITY FROM ANOTHER FACILITY OWNED
22 BY THE FOREST PRODUCTS PROCESSING FACILITY.

23 (iii) THE PERCENTAGE OF RAW MATERIALS PURCHASED IN THIS STATE.

24 (C) ANY OTHER CONDITIONS OR REQUIREMENTS REASONABLY REQUIRED
25 BY THE MICHIGAN STRATEGIC FUND.

26 Enacting section 1. This amendatory act does not take effect
27 unless House Bill No. 5456 of the 93rd Legislature is enacted into

1 law.