

Act No. 259
Public Acts of 2000
Approved by the Governor
June 29, 2000
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**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 2000**

Introduced by Senators Schuette, Hammerstrom, Gougeon, Stille, Steil, Gast, Goschka, Schwarz, McManus, North, Koivisto, McCotter, Peters, Miller, DeBeaussaert, A. Smith, Johnson, Shugars, Dunaskiss and Leland

ENROLLED SENATE BILL No. 1251

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 3, 4, 6, 7, 8a, and 10 (MCL 125.2683, 125.2684, 125.2686, 125.2687, 125.2688a, and 125.2690), section 3 as amended by 1999 PA 98, sections 4, 6, and 10 as amended by 1999 PA 139, and section 8a as added by 1999 PA 98, and by adding section 8c.

The People of the State of Michigan enact:

Sec. 3. As used in this act:

(a) "Agricultural processing facility" means 1 or more facilities or operations that transform, package, sort, or grade livestock or livestock products, agricultural commodities, or plants or plant products into goods that are used for intermediate or final consumption including goods for nonfood use, and surrounding property.

(b) "Board" means the state administrative board created in 1921 PA 2, MCL 17.1 to 17.3.

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

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

(ii) Evidence of community support and commitment from residential and business interests.

(iii) A description of the methods proposed to increase economic opportunity and expansion, facilitate infrastructure improvement, and identify job training opportunities.

(iv) Current social, economic, and demographic characteristics of the proposed renaissance zone and anticipated improvements in education, health, human services, public safety, and employment if the renaissance zone is created.

(v) Any other information required by the board.

(d) "Elected county executive" means the elected county executive in a county organized under 1966 PA 293, MCL 45.501 to 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

(e) "Local governmental unit" means a county, city, village, or township.

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

(g) "Qualified local governmental unit" means either of the following:

(i) A county.

(ii) A city, village, or township that contains an eligible distressed area as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(h) "Renaissance zone" means a geographic area designated under this act.

(i) "Residential rental property" means that term as defined in section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff.

(j) "Review board" means the renaissance zone review board created in section 5.

(k) "Rural area" means an area that lies outside of the boundaries of an urban area.

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

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

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

(b) The application includes a development plan.

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

(d) The renaissance zone does not contain more than 10 distinct geographic areas. Except as otherwise provided in this subdivision, the minimum size of a distinct geographic area is not less than 5 acres. A qualified local governmental unit or units may designate not more than 4 distinct geographic areas in each renaissance zone to have no minimum size requirement.

(e) The application includes the proposed duration of renaissance zone status, not to exceed 15 years, except as otherwise provided in this section.

(f) If the qualified local governmental unit has an elected county executive, the county executive's written approval of the application.

(g) If the qualified local governmental unit is a city, that city's mayor's written approval of the application.

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

(3) For a distinct geographic area described in subsection (1)(d), a village may include publicly owned land within the boundaries of any distinct geographic area.

(4) Through December 31, 2002, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a may designate additional distinct geographic areas not to exceed a total of 10 distinct geographic areas upon application to and approval by the board. The additional distinct geographic areas shall have the duration of renaissance zone status as determined by the qualified local governmental unit not to exceed 15 years except as provided in subsection (5).

(5) If a qualified local governmental unit or units designate additional distinct geographic areas in a renaissance zone under subsection (4), the qualified local governmental unit or units may extend the duration of the renaissance zone status of 1 or more distinct geographic areas in that renaissance zone until 2017.

(6) Through December 31, 2002, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a may, upon application to and approval by the board, seek to extend the duration of renaissance zone status until 2017. Upon application, the board shall extend the duration of renaissance zone status as specified in the application from the qualified local governmental unit.

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

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

(a) Designate renaissance zones.

(b) Subject to subsection (3), approve or reject the duration of renaissance zone status, not to exceed 15 years except as provided in section 4(5).

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

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

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

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

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

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

Sec. 7. (1) The board shall consider the following criteria in designating a renaissance zone:

- (a) Shall give priority to applications that include new business activity.
- (b) Evidence of adverse economic and socioeconomic conditions within the proposed renaissance zone.
- (c) The viability of the development plan.
- (d) Whether the development plan is creative and innovative.
- (e) Public and private commitment to and other resources available for the proposed renaissance zone.
- (f) How renaissance zone designation would relate to a broader plan for the community as a whole.
- (g) The level of demonstrated cooperation from surrounding communities.
- (h) How the local regulatory burden will be eased for businesses operating in the proposed renaissance zone.
- (i) Public and private commitment to improving abandoned real property.
- (j) Any other information required by the board.

(2) The board shall not designate an area as a renaissance zone unless each city, village, or township, within which the proposed renaissance zone is to be located, provides a resolution from its governing body that states if the renaissance zone designation is granted, persons and property within the renaissance zone are exempt from taxes levied by that city, village, or township as provided in this act.

(3) Within a 12-month period immediately preceding and immediately following designation of a renaissance zone or submission of an application for consideration as a renaissance zone, an individual who is a resident of a renaissance zone or an area being considered for designation as a renaissance zone, a business that is located and conducts business activity within a renaissance zone or an area being considered for designation as a renaissance zone, or an officer of a business that is located and conducts business activity within a renaissance zone or an area being considered for designation as a renaissance zone shall report to the chief executive officer of the local governmental unit in which the renaissance zone is designated or the local governmental unit that has applied for renaissance zone designation any transaction with or gift to any official or employee of that local governmental unit. As used in this subsection, "gift" means that term as defined in section 4 of 1978 PA 472, MCL 4.414.

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

(2) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 5 additional renaissance zones 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 within their boundaries.

(3) In addition to the not more than 9 additional renaissance zones described in subsection (1), the board may designate additional renaissance zones within this state in 1 or more qualified local governmental units if that qualified

local governmental unit or units contain a military installation that was operated by the United States department of defense and was closed in 1977 or after 1990.

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

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, may designate not more than 10 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 fails to commence operation or ceases operation in a renaissance zone designated under this section.

Sec. 10. (1) An individual who is a resident of a renaissance zone or a business that is located and conducts business activity within a renaissance zone or a person that owns property located in a renaissance zone is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2) for that taxable year if 1 or more of the following apply:

(a) The resident, business, or property owner is delinquent on December 31 of the prior tax year under 1 or more of the following:

(i) The single business tax act, 1975 PA 228, MCL 208.1 to 208.145.

(ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(iii) 1974 PA 198, MCL 207.551 to 207.572.

(iv) The commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668.

(v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

(vi) 1953 PA 189, MCL 211.181 to 211.182.

(vii) The technology park development act, 1984 PA 385, MCL 207.701 to 207.718.

(viii) Part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120.

(ix) The neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.787.

(x) The city utility users tax act, 1990 PA 100, MCL 141.1151 to 141.1177.

(b) The resident, business, or property owner is substantially delinquent as defined in a written policy by the qualified local governmental unit in which the renaissance zone is located on December 31 of the prior tax year under 1 or both of the following:

(i) The city income tax act, 1964 PA 284, MCL 141.501 to 141.787.

(ii) Taxes, fees, and special assessments collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(c) For residential rental property in a renaissance zone, the residential rental property is not in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, or codes and the residential rental property owner has not filed an affidavit before December 31 in the immediately preceding tax year with the local tax collecting unit in which the residential rental property is located as required under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff.

(2) An individual who is a resident of a renaissance zone is eligible for an exemption, deduction, or credit under section 9(1) and (2) until the department of treasury determines that the aggregate state and local tax revenue forgone as a result of all exemptions, deductions, or credits granted under this act to that individual reaches \$10,000,000.00.

(3) A casino located and conducting business activity within a renaissance zone is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2). Real property in a renaissance zone on which a casino is operated, personal property of a casino located in a renaissance zone, and all property associated or affiliated with the operation of a casino is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2). As used in this subsection, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

(4) For tax years beginning on or after January 1, 1997, an individual who is a resident of a renaissance zone shall not be denied the exemption under subsection (1) if the individual failed to file a return on or before December 31 of the prior tax year under subsection (1)(a)(ii) and that individual was entitled to a refund under that act.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Jay E. Randall

Clerk of the House of Representatives.

Approved

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Governor.