

**SUBSTITUTE FOR
HOUSE BILL NO. 5456**

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 3, 6, and 8 (MCL 125.2683, 125.2686, and
125.2688), section 3 as amended by 2005 PA 275, section 6 as
amended by 2004 PA 430, and section 8 as amended by 2003 PA 266,
and by adding section 8e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

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

House Bill No. 5456 (H-2) as amended February 7, 2006
1 surrounding property.

2 (b) "Board" means the state administrative board created in
3 1921 PA 2, MCL 17.1 to 17.3.

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

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

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

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

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

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

20 (d) "Elected county executive" means the elected county
21 executive in a county organized under 1966 PA 293, MCL 45.501 to
22 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

23 (E) "FOREST PRODUCTS PROCESSING FACILITY" MEANS 1 OR MORE
24 FACILITIES OR OPERATIONS THAT HARVEST, TRANSFORM, PACKAGE, SORT,
25 RECYCLE, OR GRADE FOREST PRODUCTS INTO GOODS THAT ARE USED FOR
26 INTERMEDIATE OR FINAL USE OR CONSUMPTION [OR FOR THE CREATION OF BIOMASS
OR ALTERNATIVE FUELS THROUGH THE UTILIZATION OF FOREST PRODUCTS OR FOREST
RESIDUE], AND SURROUNDING PROPERTY.

27 FOREST PRODUCTS PROCESSING FACILITY DOES NOT INCLUDE AN EXISTING

1 FACILITY OR OPERATION THAT IS LOCATED IN THIS STATE THAT RELOCATES
2 TO A RENAISSANCE ZONE FOR A FOREST PRODUCTS PROCESSING FACILITY.

3 (F) ~~-(e)-~~ "Local governmental unit" means a county, city,
4 village, or township.

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

8 (H) ~~-(g)-~~ "Qualified local governmental unit" means either of
9 the 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, 1966 PA 346, MCL 125.1411.

14 (I) ~~-(h)-~~ "Recovery zone" means a tool and die renaissance
15 recovery zone created in section 8d.

16 (J) ~~-(i)-~~ "Renaissance zone" means a geographic area
17 designated under this act.

18 (K) ~~-(j)-~~ "Residential rental property" means that term as
19 defined in section 7ff of the general property tax act, 1893 PA
20 206, MCL 211.7ff.

21 (L) ~~-(k)-~~ "Review board" means the renaissance zone review
22 board created in section 5.

23 (M) ~~-(l)-~~ "Rural area" means an area that lies outside of the
24 boundaries of an urban area.

25 (N) ~~-(m)-~~ "Urban area" means an urbanized area as determined
26 by the economics and statistics administration, United States
27 bureau of the census according to the 1990 census.

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.

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

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

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

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

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

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

26 (7) Through December 31, 2002, a qualified local governmental
27 unit in which a renaissance zone was designated under section 8 or

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

11 (8) Notwithstanding any other provisions of this act, before
12 July 1, 2004, a qualified local governmental unit in which a
13 renaissance zone was designated under section 8a(1) as a
14 renaissance zone located in a rural area may modify the boundaries
15 of that renaissance zone to include a contiguous parcel of property
16 as determined by the qualified local governmental unit. The
17 contiguous parcel of property shall only include property that is
18 less than .5 acres in size and that the qualified local
19 governmental unit previously sought to have included in the zone by
20 submitting an application in February 2002 that was not acted upon
21 by the review board. The additional contiguous parcel of property
22 included in a renaissance zone under this subsection does not
23 constitute an additional distinct geographic area under section
24 4(1)(d). If the boundaries of the renaissance zone are modified as
25 provided in this subsection, the additional contiguous parcel of
26 property shall become part of the original renaissance zone on the
27 same terms and conditions as the rest of the property in that

1 renaissance zone.

2 (9) A business that is located and conducts business activity
3 within a renaissance zone designated under section 8(1) and (2),
4 8a(1) and (3), 8c(1), ~~or~~ 8d(1), **OR 8E** shall not make a payment in
5 lieu of taxes to any taxing jurisdiction within the qualified local
6 governmental unit in which the renaissance zone is located.

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

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

22 (3) Each renaissance zone designated by the board under
23 section 8a shall be submitted to the legislature, which, by
24 concurrent resolution adopted by a majority vote of those elected
25 to and serving in each house, on a record roll call vote, may
26 reject that designation no later than the earlier of 45 days
27 following the date of the designation by the board or December 31

1 of the year of designation.

2 SEC. 8E. (1) THE BOARD, UPON RECOMMENDATION OF THE BOARD OF
3 THE MICHIGAN STRATEGIC FUND DEFINED IN SECTION 4 OF THE MICHIGAN
4 STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004, MAY DESIGNATE NOT
5 MORE THAN 20 ADDITIONAL RENAISSANCE ZONES FOR FOREST PRODUCTS
6 PROCESSING FACILITIES WITHIN THIS STATE IN 1 OR MORE CITIES,
7 VILLAGES, OR TOWNSHIPS IF THAT CITY, VILLAGE, OR TOWNSHIP OR
8 COMBINATION OF CITIES, VILLAGES, OR TOWNSHIPS CONSENTS TO THE
9 CREATION OF A RENAISSANCE ZONE FOR A FOREST PRODUCTS PROCESSING
10 FACILITY WITHIN THEIR BOUNDARIES. THE BOARD SHALL DESIGNATE NOT
11 MORE THAN 5 RENAISSANCE ZONES FOR A FOREST PRODUCTS PROCESSING
12 FACILITY EACH YEAR UNTIL THE MAXIMUM NUMBER OF RENAISSANCE ZONES
13 FOR A FOREST PRODUCTS PROCESSING FACILITY IS MET.

14 (2) EACH RENAISSANCE ZONE DESIGNATED FOR A FOREST PRODUCTS
15 PROCESSING FACILITY UNDER THIS SECTION SHALL BE 1 CONTINUOUS
16 DISTINCT GEOGRAPHIC AREA.

17 (3) THE BOARD MAY REVOKE THE DESIGNATION OF ALL OR A PORTION
18 OF A RENAISSANCE ZONE FOR A FOREST PRODUCTS PROCESSING FACILITY IF
19 THE BOARD DETERMINES THAT THE FOREST PRODUCTS PROCESSING FACILITY
20 FAILS TO COMMENCE OPERATION OR CEASES OPERATION IN A RENAISSANCE
21 ZONE DESIGNATED UNDER THIS SECTION.