

Act No. 277  
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**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

**Introduced by Reps. Walsh, Constan, Polidori, Kandrevas, Leland, Byrnes, Johnson, Geiss, Jackson, Bledsoe, LeBlanc and Angerer**

# **ENROLLED HOUSE BILL No. 5349**

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, 6, 8a, and 10 (MCL 125.2683, 125.2686, 125.2688a, and 125.2690), section 3 as amended by 2010 PA 64, sections 6 and 10 as amended by 2008 PA 242, and section 8a as amended by 2008 PA 116, and by adding section 8h.

*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, excluding forest 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) "Border crossing facility" means a business that is 1 or more of the following as determined by the board of the Michigan strategic fund:

(i) That was located in a qualified border local governmental unit as defined in section 8g and was displaced or otherwise negatively affected by the development of the international border crossing and is unable to recover from the displacement or negative effect without the establishment of a renaissance zone.

(ii) That is associated with international trade, shipping, or freight hauling, including, but not limited to, all of the following:

(A) Customs brokers.

(B) Distribution centers.

(C) Truck supply and repair.

- (d) “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.
- (e) “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.
- (f) “Eligible next Michigan business” means a business engaged in the shipment of tangible personal property via multimodal commerce; a supply chain business providing a majority of its services to businesses engaged in the shipment of tangible personal property, including inventory, via multimodal commerce; a manufacturing or assembly facility receiving a majority of its production components via multimodal commerce; a manufacturing or assembly facility shipping a majority of products via multimodal commerce; or a light manufacturing or assembly facility that packages, kits, labels, or customizes products and ships those products via multimodal commerce.
- (g) “Forest products processing facility” means 1 or more facilities or operations that transform, package, sort, recycle, or grade forest or paper products into goods that are used for 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. Forest products processing facility does not include an existing facility or operation that is located in this state that relocates to a renaissance zone for a forest products processing facility. Forest products processing facility does not include a facility or operation that engages primarily in retail sales.
- (h) “Local governmental unit” means a county, city, village, township, or, for taxes levied after 2009, any other taxing jurisdiction that levies an ad valorem property tax.
- (i) “Multimodal commerce” means the movement of products or services via 2 or more of the following:
    - (i) Air.
    - (ii) Road.
    - (iii) Rail.
    - (iv) Water.
- (j) “Next Michigan development corporation” means that term as defined in section 3 of the next Michigan development act.
- (k) “Next Michigan development district” means that term as defined in section 3 of the next Michigan development act.
- (l) “Next Michigan renaissance zone” means a renaissance zone created under section 8h.
- (m) “Person” means an individual, partnership, corporation, association, limited liability company, governmental entity, or other legal entity.
- (n) “Qualified eligible next Michigan business” means an eligible next Michigan business that has been certified in accordance with section 8h.
- (o) “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.
  - (p) “Recovery zone” means a tool and die renaissance recovery zone created in section 8d.
  - (q) “Renaissance zone” means a geographic area designated under this act.
  - (r) “Renewable energy facility” means a facility that creates energy, fuels, or chemicals directly from the wind, the sun, trees, grasses, biosolids, algae, agricultural commodities, processed products from agricultural commodities, or residues from agricultural processes, wood or forest processes, food production and processing, or the paper products industry. Renewable energy facility also includes a facility that creates energy, fuels, or chemicals from solid biomass, animal wastes, or landfill gases. Renewable energy facility also includes a facility that focuses on research, development, or manufacturing of systems or components of systems used to create energy, fuel, or chemicals from the items described in this subdivision. Renewable energy facility also includes a facility that focuses on research, development, or manufacturing of systems or components of systems that involve the conversion of chemical energy for advanced battery technology.

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

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

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

(v) "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. 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.

(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) Except as otherwise provided in this subsection, 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. For designations made pursuant to section 8a(2), the board of the Michigan strategic fund may choose a beginning date, provided that the date must be January 1 of a year and must not be more than 5 years after the date of designation. The board of the Michigan strategic fund may provide that the January 1 beginning date be determined under a written agreement between the board of the Michigan strategic fund and the qualified local governmental unit in which the renaissance zone is to be located. However, for purposes of the taxes exempted under section 9(2), the designation of a renaissance zone under section 8a(2) shall take effect on December 31 in the year immediately preceding the year in which the designation under section 8a(2) takes effect.

(6) The board shall not designate a renaissance zone under section 8a 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.

(8) Notwithstanding any other provisions of this act, before July 1, 2004, a qualified local governmental unit in which a renaissance zone was designated under section 8a(1) as a renaissance zone located in a rural area may modify the boundaries of that renaissance zone to include a contiguous parcel of property as determined by the qualified local governmental unit. The contiguous parcel of property shall only include property that is less than .5 acres in size and that the qualified local governmental unit previously sought to have included in the zone by submitting an application in February 2002 that was not acted upon by the review board. The additional contiguous parcel of property included in a renaissance zone under this subsection does 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 parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

(9) A business that is located and conducts business activity within a renaissance zone designated under this act, except as designated under section 8a(2) before December 1, 2010, shall not make a payment in lieu of taxes to any taxing jurisdiction within the qualified local governmental unit in which the renaissance zone is located.

(10) Notwithstanding any other provisions of this act, before July 1, 2006, a qualified local governmental unit in which a renaissance zone of less than 50 contiguous acres but more than 20 contiguous acres was designated under section 8 or 8a as a renaissance zone in a city located in a county with a population of more than 160,000 and less than 170,000 may modify the boundaries of that renaissance zone to include a contiguous parcel of property as determined by the qualified local governmental unit. The contiguous parcel of property shall only include property that is less than 12 acres in size. The additional contiguous parcel of property included in a renaissance zone under this subsection does 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 parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

(11) Notwithstanding any other provisions of this act, before July 1, 2006, a qualified local governmental unit in which a renaissance zone of more than 500 acres was designated under section 8 or 8a as a renaissance zone in a county with a population of more than 61,000 and less than 64,000 may modify the boundaries of that renaissance zone to include a contiguous parcel of property as determined by the qualified local governmental unit. The contiguous parcel of property shall only include property that is less than 12 acres in size. The additional contiguous parcel of property included in a renaissance zone under this subsection does 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 parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

(12) Notwithstanding any other provisions of this act, before July 1, 2006, a qualified local governmental unit in which a renaissance zone of more than 137 acres was designated under section 8 or 8a as a renaissance zone in a county with a population of more than 61,000 and less than 63,000 may modify the boundaries of that renaissance zone to include a parcel of property that is separated from the existing renaissance zone by a roadway as determined by the qualified local governmental unit. The parcel of property shall only include property that is less than 67 acres in size. The additional contiguous parcel of property included in a renaissance zone under this subsection does 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 parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

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 27 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. The board of the Michigan strategic fund may designate not more than 1 of the 27 additional renaissance zones described in this subsection as an alternative energy zone. An alternative energy zone shall promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy systems, and alternative energy vehicles, as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827. An alternative energy zone shall have a duration of renaissance zone status for a period not to exceed 20 years as determined by the board of the Michigan strategic fund. The board of the Michigan strategic fund may designate not more than 8 of the additional 27 renaissance zones described in this subsection as a redevelopment renaissance zone. A redevelopment renaissance zone shall promote the redevelopment of existing industrial facilities or the development of property for industrial purposes. The board of the Michigan strategic fund may designate not more than 1 of the 27 additional renaissance zones described in this subsection as a pharmaceutical recovery renaissance zone. A pharmaceutical recovery renaissance zone shall promote the development or redevelopment of existing underutilized facilities currently occupied or formerly occupied by a pharmaceutical company. Before designating a renaissance zone under this subsection, the board of the Michigan strategic fund may enter into a development agreement with the city, township, or village in which the renaissance zone will be located and the owner or developer of the facility or property located in the renaissance zone. The development agreement for a redevelopment renaissance zone described only in subsection (6)(b)(vi) or (vii) may provide for the payment of 1 or more of the taxes described in section 9. Not fewer than 3 of the 10 additional renaissance zones created under this subsection on or after December 1, 2010 shall be located in rural areas. Until the maximum number of qualified eligible next Michigan businesses are certified under section 8h(10), the board shall not designate an additional renaissance zone under this subsection if that additional renaissance zone would include a business that is an eligible next Michigan business that is eligible to be certified as a qualified eligible next Michigan business under this act.

(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.

(5) Notwithstanding any other provision of this act, property located in the alternative energy zone that is classified as commercial real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the concurrence of the assessor of the local tax collecting unit, determines is not used to directly promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy

systems, and alternative energy vehicles as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827, is not eligible for any exemption, deduction, or credit under section 9.

(6) As used in this section:

(a) "Pharmaceutical recovery renaissance zone" means a renaissance zone that includes a geographic area that is located in 1 or both of the following:

(i) In a city with a population of more than 70,000 and less than 85,000 and in a county with a population of more than 235,000 and less than 250,000.

(ii) In a city with a population of more than 42,000 and less than 55,000 and in a county with a population of more than 235,000 and less than 250,000.

(b) "Redevelopment renaissance zone" means a renaissance zone that meets 1 of the following:

(i) All of the following:

(A) Is located in a city with a population of more than 7,500 and less than 8,500 and is located in a county with a population of more than 60,000 and less than 70,000.

(B) Contains only all or a portion of an industrial site of 200 or more acres.

(ii) All of the following:

(A) Is located in a city with a population of more than 13,000 and less than 14,000 and is located in a county with a population of more than 1,000,000 and less than 1,300,000.

(B) Contains only all or a portion of an industrial site of 300 or more contiguous acres.

(iii) All of the following:

(A) Is located in a township with a population of more than 5,500 and is located in a county with a population of less than 24,000.

(B) Contains only all or a portion of an industrial site of more than 850 acres and has railroad access.

(iv) All of the following:

(A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.

(B) Contains only all or a portion of an industrial site of more than 475 acres.

(v) All of the following:

(A) Is located in a city with a population of more than 21,000 and less than 26,000 and is located in a county with a population of more than 573,000 and less than 625,000.

(B) Contains only all or a portion of an industrial site of less than 45 acres in size.

(vi) All of the following:

(A) Is located in a city with a population of more than 190,000 and less than 250,000 and is located in a county with a population of more than 573,000 and less than 625,000.

(B) Contains only all or a portion of an industrial site of more than 14 acres and less than 16 acres in size.

(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2007.

(vii) All of the following:

(A) Is located in a city with a population of more than 35,500 and less than 36,800 and is located in a county with a population of more than 157,000 and less than 162,000.

(B) Contains only all or a portion of an industrial site comprised of 1 or more adjacent parcels totaling 5 or more acres.

(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2007.

(viii) All of the following:

(A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.

(B) Contains only all or a portion of an industrial site composed of 1 or more adjacent parcels totaling 100 or more acres.

(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2008.

Sec. 8h. (1) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, upon the application of a next Michigan development corporation, may designate next Michigan renaissance zones for eligible next Michigan businesses within the boundaries of a next Michigan development district. The number of next Michigan renaissance zones to be designated for a next Michigan development district that does not include an eligible urban entity as defined in the next Michigan development act shall equal the cumulative number

of initial or subsequent local governmental unit parties to the next Michigan development corporation interlocal agreement, plus 1 additional next Michigan renaissance zone for each county party to the interlocal agreement, but shall not exceed 12 for each next Michigan development district. The number of next Michigan renaissance zones to be designated for a next Michigan development district that includes an eligible urban entity as defined in the next Michigan development act shall not exceed 12 as determined by the president of the Michigan strategic fund. The number shall not be reduced on account of a reduction in the number of local governmental unit parties to the interlocal agreement from time to time. The next Michigan development corporation shall make recommendations to the board of the Michigan strategic fund as to which areas shall be designated as next Michigan renaissance zones for eligible next Michigan businesses under this act. The aggregate territory of all next Michigan renaissance zones designated for a next Michigan development corporation shall not exceed the lesser of 200 acres times the number of next Michigan renaissance zones designated for a next Michigan development corporation or 1,675 acres. A next Michigan renaissance zone shall have a duration of renaissance zone status for a period of not less than 5 years and not more than 10 years as determined by the board of the Michigan strategic fund. Except as otherwise provided in this act, if the board of the Michigan strategic fund determines that the duration of renaissance zone status for a next Michigan renaissance zone is less than 10 years, then the board of the Michigan strategic fund, with the consent of the next Michigan development corporation and with the consent of the city, village, or township in which the next Michigan renaissance zone is located, may extend the duration of renaissance zone status for the next Michigan renaissance zone for 1 or more periods that when combined do not exceed 10 years.

(2) The next Michigan development corporation shall make recommendations to the board of the Michigan strategic fund to certify an eligible next Michigan business as a qualified eligible next Michigan business entitled to the exemptions, deductions, or credits as provided in section 9. Upon the recommendation of a next Michigan development corporation and subject to subsection (10), the board of the Michigan strategic fund may determine whether an eligible next Michigan business should receive the benefits of a renaissance zone and certify that eligible next Michigan business as a qualified eligible next Michigan business under this act and subject to a written agreement as provided in subsection (8). The board of the Michigan strategic fund shall establish a standard process to evaluate applications for certification as a qualified eligible next Michigan business and shall appoint a committee to review the applications. The standard application process developed by the board of the Michigan strategic fund shall be approved by a resolution of the board of the Michigan strategic fund before an eligible next Michigan business is certified as a qualified eligible next Michigan business. The board of the Michigan strategic fund shall certify or deny the application to certify an eligible next Michigan business as a qualified eligible next Michigan business within 49 days of receipt of the application that is complete in all material respects as determined by the president of the Michigan strategic fund. If the board of the Michigan strategic fund fails to certify or deny the application for certification within 49 days of receipt of the application that is complete in all material respects as determined by the president of the Michigan strategic fund, the application for certification is considered approved. If the board of the Michigan strategic fund denies the application for certification, the applicant may appeal that denial to the board of the Michigan strategic fund for reconsideration. The president of the Michigan strategic fund shall notify the next Michigan development corporation that the Michigan strategic fund has certified a qualified eligible next Michigan business in a next Michigan development district. The next Michigan development corporation shall develop an application process for eligible next Michigan businesses, which process shall be approved by the board of the Michigan strategic fund. A next Michigan development corporation shall not use the incentives provided in this act primarily to recruit an eligible next Michigan business to relocate from a location in this state to another location in this state. A next Michigan development corporation shall not recommend and the board of the Michigan strategic fund shall not certify an eligible next Michigan business as a qualified eligible next Michigan business unless that eligible next Michigan business opens a new location in this state, locates in this state, or is an existing business located in this state that will materially expand its business in this state as determined by the board of the Michigan strategic fund. However, the board of the Michigan strategic fund shall not certify an eligible next Michigan business as a qualified eligible next Michigan business if the principal economic effect of the expansion or location of the eligible next Michigan business into a next Michigan development district is the transfer of employment from 1 or more cities, villages, or townships in this state to the next Michigan development district and each order or resolution certifying an eligible next Michigan business as a qualified eligible next Michigan business shall contain an express finding, based upon competent and material evidence in the record, of compliance with the requirements of this subsection. Any transfer of employment from 1 or more cities, villages, and townships in this state to a next Michigan development district resulting from the expansion or location of an eligible next Michigan business into a next Michigan development district in which the aggregate number of transferred full-time employees is less than 15% of the total number of full-time employees proposed to be located in the next Michigan development district by the eligible next Michigan business shall be conclusively presumed to not be a principal economic effect of the expansion or location. In the event that a transfer of employment will occur resulting from the expansion or location of an eligible next Michigan business into a next Michigan development district, the board of the Michigan strategic fund shall provide written notice of the order or resolution certifying the eligible next Michigan business as a qualifying next Michigan business to the chief executive officer of each county, city, village, and township from which the transfer of employment will occur within 10 days of the order or resolution certifying the qualified eligible next Michigan business. The chief executive officer of each county, city, village, and township notified under this subsection shall have 30 days to file an appeal of

the certification with the board of the Michigan strategic fund. The board of the Michigan strategic fund shall decide the appeal within 45 days of the receipt of the appeal. The board of the Michigan strategic fund shall not certify an eligible next Michigan business as a qualified eligible next Michigan business if the business applicant has been convicted of a felony and the board of the Michigan strategic fund has determined that the conviction will have a material impact on the business applicant's ability to fulfill its obligations under this act. As used in this subsection, the business applicant includes the business entity, affiliates, subsidiaries, officers, directors, managerial employees, and any person who, directly or indirectly, holds a pecuniary interest in that business entity of 20% or more.

(3) Upon request of the next Michigan development corporation, the board of the Michigan strategic fund may modify an existing next Michigan renaissance zone to add additional property under the same terms and conditions as the existing next Michigan renaissance zone if all of the following are met:

(a) The additional real property is located within the boundaries of the next Michigan development district and will be owned or operated by a qualified eligible next Michigan business once it is brought into operation as determined by the board of the Michigan strategic fund.

(b) The next Michigan development corporation and the city, village, or township in which the qualified eligible next Michigan business is located consent to the modification.

(c) The aggregate territory limitations provided in subsection (1) will not be exceeded.

(4) A qualified eligible next Michigan business in a next Michigan renaissance zone shall be granted the benefits of renaissance zone status for a period of up to 15 years.

(5) The board of the Michigan strategic fund may revoke the designation of all or a portion of a next Michigan renaissance zone or the certification of a qualified eligible next Michigan business if the board of the Michigan strategic fund determines 1 or more of the following:

(a) The qualified eligible next Michigan business proposed in the application fails, or a preponderance of businesses proposed in the application fail, to commence operation within 2 years from the date of the certification as a qualified eligible next Michigan business.

(b) The qualified eligible next Michigan business proposed in the application to commence operation within the next Michigan renaissance zone ceases operation, provided that designation shall not be revoked if the qualified eligible next Michigan business has assigned its rights to a successor entity engaged in a qualified eligible next Michigan business.

(c) The qualified eligible next Michigan business proposed in the application to commence operation within the next Michigan renaissance zone fails to commence construction or renovation within 1 year from the date of the certification as a qualified eligible next Michigan business.

(d) The qualified eligible next Michigan business fails to meet jobs and investment criteria set forth in the application and approved as a condition by the president or the board of the Michigan strategic fund.

(e) The local governmental unit in which the qualified eligible next Michigan business is located withdraws from the next Michigan development corporation interlocal agreement, provided that the tax incentives previously granted to the qualified eligible next Michigan business shall remain in full force and effect for the stated term of the tax incentives so long as the qualified eligible next Michigan business satisfies all of the conditions upon which the tax incentives were granted.

(6) If the designation of all or a portion of a next Michigan renaissance zone or the certification of a qualified eligible next Michigan business is revoked, a qualified eligible next Michigan business affected may appeal that revocation to the board of the Michigan strategic fund. The designation may subsequently be restored by the board of the Michigan strategic fund to the same site and in respect of a qualified eligible next Michigan business, but the duration of the restored designation shall not exceed the term of the original designation.

(7) Upon request of the next Michigan development corporation, the board of the Michigan strategic fund may extend the duration of renaissance zone status for 1 or more portions of a next Michigan renaissance zone if the extension will increase capital investment or job creation, and the next Michigan development corporation and the city, village, or township in which that portion of the next Michigan renaissance zone is located consents to extend the duration of renaissance zone status. The board of the Michigan strategic fund may extend renaissance zone status for 1 or more portions of the next Michigan renaissance zone under this subsection for a period of time not to exceed 5 additional years as determined by the board of the Michigan strategic fund.

(8) Before an eligible next Michigan business is certified as a qualified eligible next Michigan business, the board of the Michigan strategic fund shall enter into a written agreement with the next Michigan development corporation and a qualified eligible next Michigan business in respect of the terms and conditions of granting and retaining renaissance zone status, certification as a qualified eligible next Michigan business, and any other related matters. The written agreement also shall contain a remedy provision that includes, but is not limited to, all of the following:

(a) A requirement that all or a portion of the exemptions, deductions, or credits described in section 9 shall be revoked under the procedures set forth in this act if the qualified eligible next Michigan business is determined to be

in violation of the provisions of this act or the written agreement or relocates outside the next Michigan development district for a period of years after renaissance zone status expires as set forth in the written agreement.

(b) A requirement that the qualified eligible next Michigan business may be required to repay all or a portion of the exemptions, deductions, or credits described in section 9 if the qualified eligible next Michigan business is determined to be in violation of the provisions of this act or the written agreement or relocates outside the next Michigan development district for a period of years after renaissance zone status expires as set forth in the written agreement.

(9) Except as otherwise provided in this subsection, the commencement of renaissance zone status under this section shall take effect on January 1 in the year following designation. However, for purposes of the taxes exempted under section 9(2), the commencement of renaissance zone status under this section shall take effect on December 31 in the year immediately preceding the year in which the commencement under this section takes effect.

(10) The board of the Michigan strategic fund shall not certify more than 25 eligible businesses as qualified eligible next Michigan businesses under this act. The board of the Michigan strategic fund shall not certify more than 10 eligible businesses as qualified eligible next Michigan businesses in a next Michigan development district as defined in the next Michigan development act.

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) Former 1975 PA 228 or the Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601.

(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 207.786.

(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 211.155.

(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, except as otherwise provided in this subdivision, 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. Beginning December 31, 2004, a residential rental property owner is not required to file an affidavit if the qualified local governmental unit in which the residential rental property is located determines that the residential rental property is in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, and codes on December 31 of the immediately preceding tax year.

(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, 1996 IL 1, MCL 432.201 to 432.226.

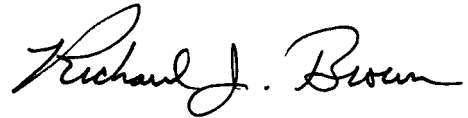


(4) For tax years beginning on or after January 1, 1997, an individual who is a resident of a renaissance zone shall not be denied the exemption under subsection (1) if the individual failed to file a return on or before December 31 of the prior tax year under subsection (1)(a)(i) and that individual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

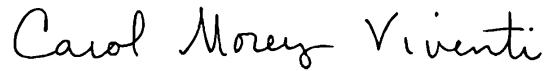
(5) A business that is located and conducts business activity within a renaissance zone shall not be denied the exemption under subsection (1) if the business failed to file a return on or before December 31 of the prior tax year under subsection (1)(a)(i) and that business had no tax liability under that act for the tax year for which the return was not filed.

(6) In a next Michigan renaissance zone, only property owned or leased by a qualified eligible next Michigan business and business activity conducted in a next Michigan renaissance zone by a qualified eligible next Michigan business are eligible for the exemptions, deductions, or credits described in section 9.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor