

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5096**

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 3, 4, 6, 8a, and 12 (MCL 125.2683, 125.2684,
125.2686, 125.2688a, and 125.2692), sections 3 and 8a as amended by
2010 PA 277, section 4 as amended by 2014 PA 27, section 6 as
amended by 2016 PA 118, and section 12 as amended by 2010 PA 83.

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, excluding forest products, into goods
6 that are used for intermediate or final consumption, including

1 goods for nonfood use, and surrounding property.

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

4 (c) **"Board of the Michigan strategic fund" means the board of**
5 **directors of the Michigan strategic fund.**

6 (d) ~~(e)~~—"Border crossing facility" means a business that is 1
7 or more of the following as determined by the board of the Michigan
8 strategic fund:

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

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

17 (A) Customs brokers.

18 (B) Distribution centers.

19 (C) Truck supply and repair.

20 (e) ~~(d)~~—"Development plan" means a written plan that addresses
21 the criteria in section 7 and includes all of the following:

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

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

28 (iii) A description of the methods proposed to increase economic
29 opportunity and expansion, facilitate infrastructure improvement,

1 and identify job training opportunities.

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

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

7 (f) ~~(e)~~—"Elected county executive" means the elected county
8 executive in a county organized under 1966 PA 293, MCL 45.501 to
9 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

10 (g) ~~(f)~~—"Eligible next Michigan business" means ~~a~~**any of the**
11 **following:**

12 (i) **A** business engaged in the shipment of tangible personal
13 property via multimodal commerce. ~~+~~~~a~~

14 (ii) **A** supply chain business providing a majority of its
15 services to businesses engaged in the shipment of tangible personal
16 property, including inventory, via multimodal commerce. ~~+~~~~a~~

17 (iii) **A** manufacturing or assembly facility receiving a majority
18 of its production components via multimodal commerce. ~~+~~~~a~~

19 (iv) **A** manufacturing or assembly facility shipping a majority
20 of products via multimodal commerce. ~~+~~~~or~~~~a~~

21 (v) **A** light manufacturing or assembly facility that packages,
22 kits, labels, or customizes products and ships those products via
23 multimodal commerce.

24 (h) ~~(g)~~—"Forest products processing facility" means 1 or more
25 facilities or operations that transform, package, sort, recycle, or
26 grade forest or paper products into goods that are used for
27 intermediate or final use or consumption or for the creation of
28 biomass or alternative fuels through the utilization of forest
29 products or forest residue, and surrounding property. Forest

1 products processing facility does not include an existing facility
2 or operation that is located in this state that relocates to a
3 renaissance zone for a forest products processing facility. Forest
4 products processing facility does not include a facility or
5 operation that engages primarily in retail sales.

6 (i) ~~(h)~~—"Local governmental unit" means a county, city,
7 village, township, or, for taxes levied after 2009, any other
8 taxing jurisdiction that levies an ad valorem property tax.

9 (j) **"Michigan strategic fund" means the Michigan strategic**
10 **fund created under the Michigan strategic fund act, 1984 PA 270,**
11 **MCL 125.2001 to 125.2094.**

12 (k) ~~(i)~~—"Multimodal commerce" means the movement of products
13 or services via 2 or more of the following:

14 (i) Air.

15 (ii) Road.

16 (iii) Rail.

17 (iv) Water.

18 (l) ~~(j)~~—"Next Michigan development corporation" means that term
19 as defined in section 3 of the next Michigan development act, **2010**
20 **PA 275, MCL 125.2953.**

21 (m) ~~(k)~~—"Next Michigan development district" means that term
22 as defined in section 3 of the next Michigan development act, **2010**
23 **PA 275, MCL 125.2953.**

24 (n) ~~(l)~~—"Next Michigan renaissance zone" means a renaissance
25 zone created under section 8h.

26 (o) ~~(m)~~—"Person" means an individual, partnership,
27 corporation, association, limited liability company, governmental
28 entity, or other legal entity.

29 (p) ~~(n)~~—"Qualified eligible next Michigan business" means an

1 eligible next Michigan business that has been certified in
2 accordance with section 8h.

3 **(q)** ~~(o)~~—"Qualified local governmental unit" means either of
4 the following:

5 *(i)* A county.

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

9 **(r)** ~~(p)~~—"Recovery zone" means a tool and die renaissance
10 recovery zone created in section 8d.

11 **(s)** ~~(q)~~—"Renaissance zone" means a geographic area designated
12 under this act.

13 **(t)** ~~(r)~~—"Renewable energy facility" means a facility that
14 creates energy, fuels, or chemicals directly from the wind, the
15 sun, trees, grasses, biosolids, algae, agricultural commodities,
16 processed products from agricultural commodities, or residues from
17 agricultural processes, wood or forest processes, food production
18 and processing, or the paper products industry. Renewable energy
19 facility also includes a facility that creates energy, fuels, or
20 chemicals from solid biomass, animal wastes, or landfill gases.
21 Renewable energy facility also includes a facility that focuses on
22 research, development, or manufacturing of systems or components of
23 systems used to create energy, fuel, or chemicals from the items
24 described in this subdivision. Renewable energy facility also
25 includes a facility that focuses on research, development, or
26 manufacturing of systems or components of systems that involve the
27 conversion of chemical energy for advanced battery technology.

28 **(u)** ~~(s)~~—"Residential rental property" means that term as
29 defined in section 7ff of the general property tax act, 1893 PA

1 206, MCL 211.7ff.

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

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

6 (x) ~~(v)~~ "Urban area" means an urbanized area as determined by
7 the ~~economics~~ **Economics** and ~~statistics~~ **Administration, Statistics**
8 **Administration**, United States ~~bureau~~ **Bureau** of the ~~census~~ **Census**
9 according to the 1990 census.

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

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

17 (b) The application includes a development plan.

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

20 (d) The renaissance zone does not contain more than 10
21 distinct geographic areas **and, ~~Except~~ **except**** as otherwise
22 provided in this subdivision, the minimum size of a distinct
23 geographic area is not less than 5 acres. A qualified local
24 governmental unit or units may designate not more than 8 distinct
25 geographic areas in each renaissance zone to have no minimum size
26 requirement.

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

1 (f) If the qualified local governmental unit has an elected
2 county executive, the county ~~executive's written approval of~~
3 **executive has approved** the application **in writing**.

4 (g) If the qualified local governmental unit is a city, that
5 city's ~~mayer's written approval of~~ **mayer has approved** the
6 application **in writing**.

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

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

15 (4) Beginning December 1, 2006 through December 31, 2011, a
16 qualified local governmental unit or units in which a renaissance
17 zone was designated under section 8 or 8a(1) or (3) may designate
18 additional distinct geographic areas not to exceed a total of 10
19 distinct geographic areas ~~upon on~~ application to and approval by
20 the board of the Michigan strategic fund if the distinct geographic
21 area is located in an eligible distressed area ~~as defined in~~
22 ~~section 11 of the state housing development authority act of 1966,~~
23 ~~1966 PA 346, MCL 125.1411,~~ or is contiguous to an eligible
24 distressed area, and if the additional distinct geographic area
25 will increase capital investment or job creation. The duration of
26 renaissance zone status for the additional distinct geographic
27 areas ~~shall~~ **must** not exceed 15 years. **As used in this subsection,**
28 **"eligible distressed area" means that term as defined in section 11**
29 **of the state housing development authority act of 1966, 1966 PA**

1 346, MCL 125.1411.

2 (5) Beginning October 1, 2023, any remaining renaissance zones
3 that have not been designated by September 30, 2023 that are
4 eligible under section 8e, 8f, or 8g may be designated by the board
5 of the Michigan strategic fund under section 8a(2). In designating
6 a renaissance zone described in this subsection, the board of the
7 Michigan strategic fund shall consider the same criteria that the
8 board would consider when designating a renaissance zone under
9 section 8e, 8f, or 8g, as applicable. The board of the Michigan
10 strategic fund may revoke the designation of all or a portion of a
11 renaissance zone described in this subsection for the same reasons
12 that the board may revoke the designation of all or a portion of a
13 renaissance zone under section 8e, 8f, or 8g, as applicable.

14 (6) ~~(5)~~ Through December 31, 2002, if a qualified local
15 governmental unit or units designate additional distinct geographic
16 areas in a renaissance zone under subsection (4), the qualified
17 local governmental unit or units may extend the duration of the
18 renaissance zone status of 1 or more distinct geographic areas in
19 that renaissance zone until 2017 ~~upon~~ **on** application to and
20 approval by the board.

21 (7) ~~(6)~~ ~~Through December 31, 2002,~~ **Beginning October 1, 2023,**
22 a qualified local governmental unit or units in which a renaissance
23 zone was designated under section 8 or ~~8a~~ **8a(2)** may, ~~upon~~ **on**
24 application to and approval by the board **of the Michigan strategic**
25 **fund**, seek to extend the duration of renaissance zone status. ~~until~~
26 2017. ~~Upon~~ **On** application, the board **of the Michigan strategic fund**
27 may extend the duration of renaissance zone status.

28 (8) ~~(7)~~ Through December 31, 2011, a qualified local
29 governmental unit or units in which a renaissance zone was

1 designated under section 8 or 8a(1) or (3) may, ~~upon~~**on** application
2 to and approval by the board of the Michigan strategic fund, seek
3 to extend the duration of renaissance zone status for 1 or more
4 portions of the renaissance zone if that zone or portion of a zone
5 is in existence as of March 15, 2008, if the extension will
6 increase capital investment or job creation, and **if** the county in
7 which the portion or portions of the renaissance zone are located
8 consents to extend the duration of renaissance zone status. The
9 board of the Michigan strategic fund may extend renaissance zone
10 status for 1 or more portions of the renaissance zone under this
11 subsection for a period of time not to exceed 15 years from the
12 date of the application to the board of the Michigan strategic fund
13 under this subsection. However, beginning on April 29, 2008, if the
14 board of the Michigan strategic fund extends the duration of 1 or
15 more portions of a renaissance zone under this subsection, the
16 board of the Michigan strategic fund may revoke that extension if
17 the board determines that increased capital investment or job
18 creation will not begin within 1 year of the granting of the
19 extension or otherwise violates the terms of the written
20 development agreement between the owner of the real property and
21 the board of the Michigan strategic fund. Only the qualified local
22 governmental unit that is requesting the extension of time may
23 submit the application. If the board of the Michigan strategic fund
24 extends the duration of 1 or more portions of a renaissance zone,
25 the board of the Michigan strategic fund shall enter into a written
26 development agreement with the owner of all real property located
27 within the boundaries of the portions of the renaissance zone whose
28 duration has been extended. The written development agreement ~~shall~~
29 **must** include, but is not limited to, all of the following:

- 1 (a) The duration of the extension.
 2 (b) The conditions under which the extension is granted.
 3 (c) The amount of capital investment.
 4 (d) The number of jobs to be created.
 5 (e) Any other conditions or requirements reasonably required
 6 by the board of the Michigan strategic fund.

7 **(9)** ~~(8)~~—If a qualified local governmental unit in which a
 8 renaissance zone was designated under section 8 received approval
 9 by the Michigan strategic fund to extend the duration of
 10 renaissance zone status under subsection ~~(7)~~ **(8)** for a period of 7
 11 years and that renaissance zone is located in a county with a
 12 population of more than 190,000 and less than 240,000 according to
 13 the most recent **federal** decennial census, that qualified local
 14 governmental unit may ~~resubmit an application~~ **reapply** to the
 15 Michigan strategic fund before June 30, 2014 to extend the duration
 16 of renaissance zone status for an additional 8 years, not to exceed
 17 15 years' total extension. The Michigan strategic fund may grant
 18 the extension if the extension ~~shall~~ **will** increase capital
 19 investment or job creation in this state and the owner and project
 20 developer are in compliance with the written agreement described in
 21 subsection ~~(7)~~ **(8)**.

22 **(10) Notwithstanding any other provisions of this act, a**
 23 **qualified local governmental unit in which a renaissance zone was**
 24 **designated under subsection (4), and that is located in a county**
 25 **with a population of more than 1,700,000 and less than 1,900,000**
 26 **according to the most recent federal decennial census, may apply to**
 27 **the Michigan strategic fund to extend the duration of renaissance**
 28 **zone status for an additional 15 years, not to exceed 30 years'**
 29 **total duration of renaissance zone status. The Michigan strategic**

1 fund shall not grant an application under this subsection unless
2 each city, village, or township within which the renaissance zone
3 is located provides a resolution from its governing body supporting
4 the application. The Michigan strategic fund may grant the
5 extension retroactively as follows:

6 (a) Except as provided in subdivisions (b) and (c), to be
7 effective January 1, 2023.

8 (b) For purposes of the taxes exempted under section 9(1)(d)
9 and (2) and all other benefits under this act, to be effective not
10 earlier than the date of any levy that occurred before the date an
11 amendment has been approved by the Michigan strategic fund.

12 (c) For purposes of the taxes exempted under section 9(1)(c),
13 to be effective for a tax year commencing not earlier than January
14 1 of the year in which an amendment has been approved by the
15 Michigan strategic fund.

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

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

20 (a) Designate renaissance zones.

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

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

26 (3) The board shall not alter the geographic boundaries of the
27 renaissance zone or the duration of renaissance zone status
28 described in the application unless ~~the~~**each** qualified local
29 governmental unit ~~or units~~ and ~~the~~**each** local governmental unit ~~or~~

1 ~~units~~ in which the renaissance zone is to be located consent by
2 resolution to the alteration.

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

5 (5) Except as otherwise provided in this subsection, the
6 designation of a renaissance zone under this act ~~shall take~~ **takes**
7 effect on January 1 in the year following designation. However, for
8 purposes of the taxes exempted under section 9(2), the designation
9 of a renaissance zone under this act ~~shall take~~ **takes** effect on
10 December 31 in the year of designation. For designations made
11 ~~pursuant to~~ **under** section 8a(2), the board of the Michigan
12 strategic fund may choose a beginning date, ~~provided that the~~ **which**
13 date must be January 1 of a year and, **for those designations**
14 **approved on or before September 30, 2023**, must not be more than 5
15 years after the date of designation. **If the board of the Michigan**
16 **strategic fund rescinds a designation made under section 8a(2) on**
17 **or after October 1, 2023, before choosing a beginning date, the**
18 **renaissance zone may be redesignated under section 8a(2).** The board
19 of the Michigan strategic fund may provide that the January 1
20 beginning date be determined under a written agreement between the
21 board of the Michigan strategic fund and the qualified local
22 governmental unit in which the renaissance zone is to be located.
23 However, for purposes of the taxes exempted under section 9(2), the
24 designation of a renaissance zone under section 8a(2) ~~shall take~~
25 **takes** effect on December 31 in the year immediately preceding the
26 year in which the designation under section 8a(2) takes effect.

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

29 (7) Through December 31, 2002, a qualified local governmental

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

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

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

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

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

1 contiguous parcel of property ~~shall~~**must** only include property that
2 is less than 12 acres in size. The additional contiguous parcel of
3 property included in a renaissance zone under this subsection does
4 not constitute an additional distinct geographic area under section
5 4(1)(d). If the boundaries of the renaissance zone are modified as
6 provided in this subsection, the additional contiguous parcel of
7 property ~~shall become~~**becomes** part of the original renaissance zone
8 on the same terms and conditions as the rest of the property in
9 that renaissance zone.

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

27 **(13) The board of the Michigan strategic fund may delegate any**
28 **actions under the act to authorized employees, officers, and agents**
29 **of the fund, which may include employees of the MEDC. As used in**

1 this subsection, "MEDC" means that term as defined in section 4 of
 2 the Michigan strategic fund act, 1984 PA 270, MCL 125.2004.

3 Sec. 8a. (1) Except as provided in subsections (2), (3), and
 4 (4), the board ~~shall~~**may** not designate more than 9 additional
 5 renaissance zones within this state under this section. Not more
 6 than 6 of the renaissance zones ~~shall~~**must** be located in urban
 7 areas and not more than 5 of the renaissance zones ~~shall~~**must** be
 8 located in rural areas. For purposes of determining whether a
 9 renaissance zone is located in an urban area or rural area under
 10 this section, if any part of a renaissance zone is located within
 11 an urban area, the entire renaissance zone ~~shall be~~**is** considered
 12 to be located in an 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, MCL~~
 15 ~~125.2004,~~ may designate not more than 27 additional renaissance
 16 zones **and any renaissance zones that are eligible under section**
 17 **4(5)** within this state in 1 or more cities, villages, or townships
 18 if that city, village, or township or combination of cities,
 19 villages, or townships consents to the creation of a renaissance
 20 zone within their boundaries. The board of the Michigan strategic
 21 fund may designate not more than 1 of the 27 additional renaissance
 22 zones described in this subsection as an alternative energy zone.
 23 An alternative energy zone ~~shall~~**must** promote and increase the
 24 research, development, testing, and manufacturing of alternative
 25 energy technology, alternative energy systems, and alternative
 26 energy vehicles, as those terms are defined in the Michigan next
 27 energy authority act, 2002 PA 593, MCL 207.821 to 207.827. An
 28 alternative energy zone ~~shall have~~**has** a duration of renaissance
 29 zone status for a period not to exceed 20 years as determined by

1 the board of the Michigan strategic fund. The board of the Michigan
2 strategic fund may designate not more than 8 of the additional 27
3 renaissance zones described in this subsection as a redevelopment
4 renaissance zone. A redevelopment renaissance zone ~~shall~~**must**
5 promote the redevelopment of existing industrial facilities or the
6 development of property for industrial purposes. The board of the
7 Michigan strategic fund may designate not more than 1 of the 27
8 additional renaissance zones described in this subsection as a
9 pharmaceutical recovery renaissance zone. A pharmaceutical recovery
10 renaissance zone ~~shall~~**must** promote the development or
11 redevelopment of existing underutilized facilities currently
12 occupied or formerly occupied by a pharmaceutical company. Before
13 designating a renaissance zone under this subsection, the board of
14 the Michigan strategic fund may enter into a development agreement
15 with the city, township, or village in which the renaissance zone
16 will be located and the owner or developer of the facility or
17 property located in the renaissance zone. The development agreement
18 for a redevelopment renaissance zone described only in subsection
19 (6) (b) (vi) or (vii) may provide for the payment of 1 or more of the
20 taxes described in section 9. Not fewer than 3 of the 10 additional
21 renaissance zones created under this subsection on or after
22 December 1, 2010 ~~shall~~**must** be located in rural areas. Until the
23 maximum number of qualified eligible next Michigan businesses are
24 certified under section 8h(10), the board shall not designate an
25 additional renaissance zone under this subsection if that
26 additional renaissance zone would include a business that is an
27 eligible next Michigan business that is eligible to be certified as
28 a qualified eligible next Michigan business under this act.

29 (3) In addition to the not more than 9 additional renaissance

1 zones described in subsection (1), the board may designate
2 additional renaissance zones within this state in 1 or more
3 qualified local governmental units if that qualified local
4 governmental unit or units contain a military installation that was
5 operated by the United States ~~department~~**Department** of ~~defense~~
6 **Defense** and was closed in 1977 or after 1990.

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

10 (5) Notwithstanding any other provision of this act, property
11 located in the alternative energy zone that is classified as
12 commercial real property under section 34c of the general property
13 tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the
14 concurrence of the assessor of the local tax collecting unit,
15 determines is not used to directly promote and increase the
16 research, development, testing, and manufacturing of alternative
17 energy technology, alternative energy systems, and alternative
18 energy vehicles as those terms are defined in the Michigan next
19 energy authority act, 2002 PA 593, MCL 207.821 to 207.827, is not
20 eligible for any exemption, deduction, or credit under section 9.

21 (6) As used in this section:

22 (a) "Pharmaceutical recovery renaissance zone" means a
23 renaissance zone that includes a geographic area that is located in
24 1 or both of the following:

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

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

1 and less than 250,000.

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

4 (i) All of the following:

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

8 (B) Contains only all or a portion of an industrial site of
9 200 or more acres.

10 (ii) All of the following:

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

14 (B) Contains only all or a portion of an industrial site of
15 300 or more contiguous acres.

16 (iii) All of the following:

17 (A) Is located in a township with a population of more than
18 5,500 and is located in a county with a population of less than
19 24,000.

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

22 (iv) All of the following:

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

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

28 (v) All of the following:

29 (A) Is located in a city with a population of more than 21,000

1 and less than 26,000 and is located in a county with a population
2 of more than 573,000 and less than 625,000.

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

5 (vi) All of the following:

6 (A) Is located in a city with a population of more than
7 190,000 and less than 250,000 and is located in a county with a
8 population of more than 573,000 and less than 625,000.

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

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

13 (vii) All of the following:

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

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

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

21 (viii) All of the following:

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

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

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

29 Sec. 12. (1) Except as otherwise provided in subsection (6),

1 this state shall reimburse intermediate school districts each year
2 for all tax revenue lost as the result of the exemption of property
3 under this act, based on the property's taxable value in that year,
4 from taxes levied under section 625a of the revised school code,
5 1976 PA 451, MCL 380.625a, ~~;~~from taxes levied for area vocational-
6 technical program operating purposes under section 681 of the
7 revised school code, 1976 PA 451, MCL 380.681, ~~;~~and from taxes
8 levied for special education operating purposes under section 1724a
9 of the revised school code, 1976 PA 451, MCL 380.1724a.

10 (2) Except as otherwise provided in subsection (6), this state
11 shall reimburse local school districts each year for all tax
12 revenue lost as the result of the exemption of property under this
13 act, **based on the property's taxable value in that year**, from taxes
14 levied under section 1211 of the revised school code, 1976 PA 451,
15 MCL 380.1211, ~~based on the property's taxable value in that~~
16 ~~year and from taxes levied under section 2 of 1917 PA 156, MCL~~
17 **123.52.**

18 (3) Except as otherwise provided in subsection (6), this state
19 shall reimburse a community college district and a public library
20 each year for all tax revenue lost as a result of the exemption of
21 property under this act, based on the property's taxable value in
22 that year, from taxes levied or collected under the general
23 property tax act, 1893 PA 206, MCL 211.1 to 211.155.

24 ~~(4) Intermediate school districts, community college~~
25 ~~districts, and public libraries eligible for reimbursement under~~
26 ~~subsections (1) and (3) shall report to and on a date determined by~~
27 ~~the department of treasury all revenue lost for which reimbursement~~
28 ~~under subsections (1) and (3) is claimed. A local school district~~
29 ~~eligible for reimbursement under subsection (2) shall report each~~

1 ~~year on a date determined by the department of treasury all revenue~~
2 ~~lost for which reimbursement under subsection (2) is claimed.~~**The**
3 **assessor of the local tax collecting unit with property exempt**
4 **under this act must report the property's taxable value in that**
5 **year and the immediately preceding year, in a form and manner**
6 **prescribed by the department of treasury. The department of**
7 **treasury shall calculate the tax revenue lost as a result of the**
8 **exemption of property under this act, based on the property's**
9 **taxable value.**

10 (5) Except as otherwise provided in subsection (6), this state
11 shall reimburse the school aid fund for all revenues lost as the
12 result of the establishment of renaissance zones. Foundation
13 allowances calculated under section 20 of the state school aid act
14 of 1979, 1979 PA 94, MCL 388.1620, shall not be reduced as a result
15 of lost revenues arising from this act.

16 (6) The reimbursements described in this section are subject
17 to an appropriation as provided by law. ~~For fiscal year 2009-2010~~
18 ~~only, if~~ **If** the amount appropriated is less than the amount
19 required for payments to all entities described in this section,
20 payments ~~shall~~ **must** be prorated.