

HOUSE BILL NO. 5054

September 27, 2023, Introduced by Reps. Glanville, MacDonell, Conlin, Koleszar, McKinney, Morse, Martus, O'Neal, Paiz, Wilson, Arbit, Scott, Fitzgerald, Rheingans, Tyrone Carter and Puri and referred to the Committee on Economic Development and Small Business.

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending section 8d (MCL 125.2688d), as amended by 2010 PA 368.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8d. (1) The board of the Michigan strategic fund
2 ~~described in section 4 of the Michigan strategic fund act, 1984 PA~~
3 ~~270, MCL 125.2004,~~ may designate not more than 35 tool and die
4 renaissance recovery zones within this state in 1 or more cities,
5 villages, or townships if that city, village, or township or

1 combination of cities, villages, or townships consents to the
 2 creation of a recovery zone within their boundaries. ~~A-Except as~~
 3 **otherwise provided in subsection (8), a** recovery zone ~~shall may~~
 4 have a duration of renaissance zone status for a period of not less
 5 than 5 years and not more than 15 years as determined by the board
 6 of the Michigan strategic fund. If the Michigan strategic fund
 7 determines that the duration of renaissance zone status for a
 8 recovery zone is less than 15 years, then the Michigan strategic
 9 fund, with the consent of the city, village, or township or
 10 combination of cities, villages, or townships in which the
 11 qualified tool and die business is located, may extend the duration
 12 of renaissance zone status for the recovery zone for 1 or more
 13 periods that when combined do not exceed 15 years. Not less than 1
 14 of the recovery zones ~~shall must~~ consist of 1 or more qualified
 15 tool and die businesses that have a North American ~~industrial~~
 16 ~~classification system-Industry Classification System~~ (NAICS) of
 17 332997.

18 (2) The board of the Michigan strategic fund may designate a
 19 recovery zone within this state if the recovery zone consists of
 20 not less than 4 and not more than 20 qualified tool and die
 21 businesses at the time of designation. If the board of the Michigan
 22 strategic fund designated 1 or more recovery zones that contain
 23 less than 20 qualified tool and die businesses before December 19,
 24 2005, the board of the Michigan strategic fund may add additional
 25 qualified tool and die businesses to that recovery zone subject to
 26 the limitations ~~contained~~ in this subsection. A recovery zone ~~shall~~
 27 **must** consist of only qualified tool and die business property. The
 28 board of the Michigan strategic fund may combine existing recovery
 29 zones that are comprised solely of tool and die businesses that are

1 parties to the same qualified collaborative agreement. ~~Where~~**If** 2
 2 or more recovery zones have been combined, the board of the
 3 Michigan strategic fund may continue to designate additional
 4 recovery zones, ~~provided that no~~**if not** more than 35 tool and die
 5 recovery zones exist at 1 time.

6 (3) The board of the Michigan strategic fund may revoke the
 7 designation of all or a portion of a recovery zone with respect to
 8 1 or more qualified tool and die businesses if those qualified tool
 9 and die businesses fail or cease to participate in or comply with a
 10 qualified collaborative agreement. A qualified tool and die
 11 business may enter into another qualified collaborative agreement
 12 once it is designated part of a recovery zone.

13 (4) One or more qualified tool and die businesses subject to a
 14 qualified collaborative agreement may merge into another group of
 15 qualified tool and die businesses subject to a different qualified
 16 collaborative agreement ~~upon~~**on** application to and approval by the
 17 Michigan strategic fund.

18 (5) A qualified tool and die business in a recovery zone may
 19 have a different period of renaissance zone status than other
 20 qualified tool and die businesses in the same recovery zone.

21 (6) The board of the Michigan strategic fund may modify an
 22 existing recovery zone to add 1 or more qualified tool and die
 23 businesses with the consent of all other qualified tool and die
 24 businesses that are participating in the recovery zone.

25 (7) The board of the Michigan strategic fund may modify an
 26 existing recovery zone to add additional property under the same
 27 terms and conditions as the existing recovery zone if all of the
 28 following are met:

29 (a) The additional real property is contiguous to existing

1 qualified tool and die business property and will become qualified
2 tool and die business property once it is brought into operation as
3 determined by the board of the Michigan strategic fund.

4 (b) The city, village, or township in which the qualified tool
5 and die business is located consents to the modification.

6 (8) Beginning on January 13, 2009, a recovery zone may include
7 a qualified tool and die business that has 75 or more full-time
8 employees if that qualified tool and die business has entered into
9 a written agreement with the board of the Michigan strategic fund
10 and the city, village, or township, or a combination of cities,
11 villages, or townships, in which the qualified tool and die
12 business is located. **A qualified tool and die business described in
13 this subsection may have a duration of renaissance zone status for
14 a period of not less than 5 years and not more than 30 years as
15 determined by the board of the Michigan strategic fund. If the
16 duration of renaissance zone status for a qualified tool and die
17 business described in this subsection is less than 30 years, then
18 the Michigan strategic fund, with the consent of the city, village,
19 or township or combination of cities, villages, or townships in
20 which the qualified tool and die business is located, may extend
21 the duration of renaissance zone status for the qualified tool and
22 die business for 1 or more periods that when combined do not exceed
23 30 years.**

24 (9) As used in this section:

25 (a) "Board of the Michigan strategic fund" means the board as
26 that term is defined in section 4 of the Michigan strategic fund
27 act, 1984 PA 270, MCL 125.2004.

28 (b) ~~(a)~~—"Qualified collaborative agreement" means an agreement
29 that demonstrates synergistic opportunities, including, but not

1 limited to, all of the following:

2 (i) Sales and marketing efforts.

3 (ii) Development of standardized processes.

4 (iii) Development of tooling standards.

5 (iv) Standardized project management methods.

6 (v) Improved ability for specialized or small niche shops to
7 develop expertise and compete successfully on larger programs.

8 (c) ~~(b)~~—"Qualified tool and die business" means a business
9 entity that meets all of the following:

10 (i) Has a North American ~~industrial classification system~~
11 **Industry Classification System** (NAICS) of 332997, 333511, 333512,
12 333513, 333514, or 333515; or has a North American ~~industrial~~
13 ~~classification system~~ **Industry Classification System** (NAICS) of
14 337215 and operates a facility within an existing renaissance zone,
15 which facility is adjacent to real property not located in a
16 renaissance zone and is located within 1/4 mile of a Michigan
17 technical education center.

18 (ii) Has entered into a qualified collaboration agreement as
19 approved by the Michigan strategic fund consisting of not fewer
20 than 4 or more than 20 other business entities at the time of
21 designation that have a North American ~~industrial classification~~
22 ~~system~~ **Industry Classification System** (NAICS) of 332997, 333511,
23 333512, 333513, 333514, or 333515.

24 (iii) Except as otherwise provided by the board of the Michigan
25 strategic fund, has fewer than 75 full-time employees.

26 (d) ~~(e)~~—"Qualified tool and die business property" means 1 or
27 more of the following:

28 (i) Property owned by 1 or more qualified tool and die
29 businesses and used by those qualified tool and die businesses

1 primarily for tool and die business operations. Qualified tool and
2 die business property is used primarily for tool and die business
3 operations if the qualified tool and die businesses that own the
4 qualified tool and die business property generate 75% or more of
5 the qualified tool and die businesses' gross revenue from tool and
6 die operations that take place on the qualified tool and die
7 business property at the time of designation.

8 (ii) Property leased by 1 or more qualified tool and die
9 business for which the qualified tool and die business is liable
10 for ad valorem property taxes and ~~which~~**that** is used by those
11 qualified tool and die businesses primarily for tool and die
12 business operations. Qualified tool and die business property is
13 used primarily for tool and die business operations if the
14 qualified tool and die businesses that lease the qualified tool and
15 die business property generate 75% or more of the qualified tool
16 and die businesses' gross revenue from tool and die operations that
17 take place on the qualified tool and die business property at the
18 time of designation. The qualified tool and die business shall
19 furnish proof of its ad valorem property tax liability to the
20 department of treasury.