

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 625**

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 4, 6, 8, and 10 (MCL 125.2684, 125.2686,
125.2688, and 125.2690), section 10 as amended by 1999 PA 36.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

8 (b) The application includes a development plan.

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

1 (d) The renaissance zone does not contain more than ~~6~~ 10
2 distinct geographic areas. ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN
3 THIS SUBDIVISION, THE minimum size of a distinct geographic area
4 is ~~as follows:~~ NOT LESS THAN 5 ACRES. A QUALIFIED LOCAL GOV-
5 ERNMENTAL UNIT OR UNITS MAY DESIGNATE NOT MORE THAN 4 DISTINCT
6 GEOGRAPHIC AREAS IN EACH RENAISSANCE ZONE TO HAVE NO MINIMUM SIZE
7 REQUIREMENT.

8 ~~(i) For a distinct geographic area that is wholly or partly~~
9 ~~within a city with a population over 500,000, the distinct geo-~~
10 ~~graphic area is not less than 30 acres.~~

11 ~~(ii) For a distinct geographic area that is located wholly~~
12 ~~or partially within a village, the distinct geographic area is~~
13 ~~not less than 10 acres.~~

14 ~~(iii) For a distinct geographic area other than in an area~~
15 ~~described in subparagraph (i) or (ii), the distinct geographic~~
16 ~~area is not less than 20 acres.~~

17 ~~(e) That not more than 50% of the real property in each dis-~~
18 ~~tinct geographic area described in subdivision (d) is owned by~~
19 ~~the same person.~~

20 (E) ~~(f)~~ The application includes the proposed duration of
21 renaissance zone status, not to exceed 15 years, EXCEPT AS OTHER-
22 WISE PROVIDED IN THIS SECTION.

23 (F) ~~(g)~~ If the qualified local governmental unit has an
24 elected county executive, the county executive's written approval
25 of the application.

26 (G) ~~(h)~~ If the qualified local governmental unit is a
27 city, that city's mayor's written approval of the application.

1 (2) A qualified local governmental unit shall not be a part
2 of more than 1 renaissance zone.

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

9 (4) For a distinct geographic area described in subsection
10 ~~-(1)(d)(ii)-~~ (1)(D), a village may include publicly owned land
11 within the boundaries of any distinct geographic area.

12 (5) THROUGH DECEMBER 31, 2002, A QUALIFIED LOCAL GOVERNMEN-
13 TAL UNIT OR UNITS IN WHICH A RENAISSANCE ZONE WAS DESIGNATED
14 UNDER SECTION 8 MAY DESIGNATE ADDITIONAL DISTINCT GEOGRAPHIC
15 AREAS NOT TO EXCEED A TOTAL OF 10 DISTINCT GEOGRAPHIC AREAS UPON
16 APPLICATION TO AND APPROVAL BY THE BOARD. THE ADDITIONAL DIS-
17 TINCT GEOGRAPHIC AREAS SHALL HAVE THE DURATION OF RENAISSANCE
18 ZONE STATUS AS DETERMINED BY THE QUALIFIED LOCAL GOVERNMENTAL
19 UNIT NOT TO EXCEED 15 YEARS EXCEPT AS PROVIDED IN SUBSECTION
20 (6).

21 (6) IF A QUALIFIED LOCAL GOVERNMENTAL UNIT OR UNITS DESIG-
22 NATE ADDITIONAL DISTINCT GEOGRAPHIC AREAS IN A RENAISSANCE ZONE
23 UNDER SUBSECTION (5), THE QUALIFIED LOCAL GOVERNMENTAL UNIT OR
24 UNITS MAY EXTEND THE DURATION OF THE RENAISSANCE ZONE STATUS OF 1
25 OR MORE DISTINCT GEOGRAPHIC AREAS IN THAT RENAISSANCE ZONE [UNTIL
2017].

26 (7) THROUGH DECEMBER 31, 2002, A QUALIFIED LOCAL
27 GOVERNMENTAL UNIT OR UNITS IN WHICH A RENAISSANCE ZONE WAS

1 DESIGNATED UNDER SECTION 8 MAY, UPON APPLICATION TO AND APPROVAL
2 BY THE BOARD, SEEK TO EXTEND THE DURATION OF RENAISSANCE ZONE
3 STATUS UNTIL 2017. UPON APPLICATION, THE BOARD SHALL EXTEND THE
4 DURATION OF RENAISSANCE ZONE STATUS AS SPECIFIED IN THE APPLICA-
5 TION FROM THE QUALIFIED LOCAL GOVERNMENTAL UNIT.

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

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

10 (a) Designate renaissance zones.

11 (b) Subject to subsection (3), approve or reject the dura-
12 tion of renaissance zone status as submitted in the application,
13 not to exceed 15 years EXCEPT AS PROVIDED IN SECTION 4(6).

14 (c) Subject to subsection (3), approve or reject the geo-
15 graphic boundaries and the total area of the renaissance zone as
16 submitted in the application.

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

23 (4) The board shall not designate a renaissance zone UNDER
24 SECTION 8 before November 1, 1996 or after December 31, 1996.

25 (5) The designation of a renaissance zone under this act
26 shall take effect on January 1 ~~—, 1997—~~ IN THE YEAR FOLLOWING
27 DESIGNATION. However, for purposes of the taxes exempted under

1 section 9(2), the designation of a renaissance zone under this
2 act shall take effect on December 31 ~~—, 1996—~~ IN THE YEAR OF
3 DESIGNATION.

4 (6) THE BOARD SHALL NOT DESIGNATE A RENAISSANCE ZONE UNDER
5 SECTION 8A AFTER DECEMBER 31, 2002.

6 (7) THROUGH DECEMBER 31, 2002, A QUALIFIED LOCAL GOVERNMEN-
7 TAL UNIT IN WHICH A RENAISSANCE ZONE WAS DESIGNATED UNDER
8 SECTION 8 MAY MODIFY THE BOUNDARIES OF THAT RENAISSANCE ZONE TO
9 INCLUDE CONTIGUOUS PARCELS OF PROPERTY AS DETERMINED BY THE QUAL-
10 IFIED LOCAL GOVERNMENTAL UNIT AND APPROVAL BY THE REVIEW BOARD.
11 THE ADDITIONAL CONTIGUOUS PARCELS OF PROPERTY INCLUDED IN A
12 RENAISSANCE ZONE UNDER THIS SUBSECTION DO NOT CONSTITUTE AN ADDI-
13 TIONAL DISTINCT GEOGRAPHIC AREA UNDER SECTION 4(1)(D). IF THE
14 BOUNDARIES OF THE RENAISSANCE ZONE ARE MODIFIED AS PROVIDED IN
15 THIS SUBSECTION, THE ADDITIONAL CONTIGUOUS PARCELS OF PROPERTY
16 SHALL BECOME PART OF THE ORIGINAL RENAISSANCE ZONE ON THE SAME
17 TERMS AND CONDITIONS AS THE ORIGINAL DESIGNATION OF THAT RENAISSANCE
18 ZONE.

19 Sec. 8. (1) Except as provided in subsection (2) AND SEC-
20 TION 8A, the board shall not designate more than 9 renaissance
21 zones within this state. Not more than 6 of the renaissance
22 zones shall be located in urban areas and not more than 4 of the
23 renaissance zones shall be located in rural areas. For purposes
24 of determining whether a renaissance zone is located in an urban
25 area or rural area under this section, if any part of a renaissance
26 zone is located within an urban area, the entire

1 renaissance zone shall be considered to be located in an urban
2 area.

3 (2) The board may designate additional renaissance zones
4 within this state in 1 or more qualified local governmental units
5 if that qualified local governmental unit or units contain a mil-
6 itary installation that was operated by the United States depart-
7 ment of defense and has closed after 1990.

8 (3) ~~A list of the~~ EACH renaissance ~~zones~~ ZONE designated
9 by the board UNDER SECTION 8A shall be submitted to the legisla-
10 ture, which, by concurrent resolution adopted by a majority vote
11 of those elected to and serving in each house, on a record roll
12 call vote, may reject ~~the entire list~~ THAT DESIGNATION no later
13 than ~~December 30 of the year in which this act becomes~~
14 ~~effective~~. THE EARLIER OF 45 DAYS FOLLOWING THE DATE OF THE DES-
15 IGNATION BY THE BOARD OR DECEMBER 31 OF THE YEAR OF DESIGNATION.

16 Sec. 10. (1) An individual who is a resident of a renaiss-
17 sance zone or a business that is located and conducts business
18 activity within a renaissance zone or a person that owns property
19 located in a renaissance zone is not eligible for the exemption,
20 deduction, or credit listed in section 9(1) or (2) for that tax-
21 able year if 1 or more of the following apply:

22 (a) The resident, business, or property owner is delinquent
23 ON DECEMBER 31 OF THE PRIOR TAX YEAR under 1 or more of the
24 following:

25 (i) The single business tax act, 1975 PA 228, MCL 208.1 to
26 208.145.

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1 (ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to
2 206.532.

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

4 (iv) The commercial redevelopment act, 1978 PA 255, MCL
5 207.651 to 207.668.

6 (v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to
7 125.2123.

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

9 (vii) The technology park development act, 1984 PA 385, MCL
10 207.701 to 207.718.

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

13 (ix) The neighborhood enterprise zone act, 1992 PA 147, MCL
14 207.771 to 207.787.

15 (x) The city utility users tax act, 1990 PA 100, MCL
16 141.1151 to 141.1177.

17 (b) The resident, business, or property owner is substan-
18 tially delinquent as defined in a written policy by the qualified
19 local governmental unit in which the renaissance zone is located
20 ON DECEMBER 31 OF THE PRIOR TAX YEAR under 1 or both of the
21 following:

22 (i) The city income tax act, 1964 PA 284, MCL 141.501 to
23 141.787.

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

26 (c) For residential rental property in a renaissance zone,
27 the residential rental property is not in substantial compliance

1 with all applicable state and local zoning, building, and housing
2 laws, ordinances, or codes and the residential rental property
3 owner has not filed an affidavit before December 31 in the imme-
4 diately preceding tax year with the local tax collecting unit in
5 which the residential rental property is located as required
6 under section 7ff of the general property tax act, 1893 PA 206,
7 MCL 211.7ff.

8 (2) A business located in a qualified local governmental
9 unit that relocates from outside a renaissance zone into a
10 renaissance zone in that same qualified local governmental unit
11 shall not receive the exemptions, deductions, or credits
12 described in section 9 unless the governing body of the qualified
13 local governmental unit in which the renaissance zone is located
14 approves the relocation of the business.

15 (3) Unless approval of the relocation is obtained under sub-
16 section (2), if a business relocates more than 25 full-time
17 equivalent jobs to a renaissance zone, the business shall notify
18 the Michigan strategic fund in the department of management and
19 budget and the local governmental unit from which the jobs are
20 being relocated of the relocation. The business is not eligible
21 for the exemptions, deductions, or credits listed in section 9(1)
22 and (2) if the local governmental unit from which the jobs are
23 being relocated adopts a resolution objecting to the relocation
24 of the jobs within 60 days after the notification by the
25 business. The business becomes eligible for the exemptions,
26 deductions, and credits listed in section 9(1) and (2) when the
27 local governmental unit that objected to the relocation rescinds

1 its objection by resolution. A local governmental unit that
2 objects to the relocation of jobs shall file a copy of all reso-
3 lutions of objection and rescission with the department of trea-
4 sury, Michigan strategic fund in the department of management and
5 budget, county or local governmental unit that created the
6 renaissance zone into which the jobs are transferred, and the
7 local governmental unit into which the jobs are transferred. As
8 used in this subsection only, "local governmental unit" means a
9 city, village, or township.

10 (4) An individual who is a resident of a renaissance zone is
11 eligible for an exemption, deduction, or credit under section
12 9(1) and (2) until the department of treasury determines that the
13 aggregate state and local tax revenue forgone as a result of all
14 exemptions, deductions, or credits granted under this act to that
15 individual reaches \$10,000,000.00.

16 (5) A casino located and conducting business activity within
17 a renaissance zone is not eligible for the exemption, deduction,
18 or credit listed in section 9(1) or (2). Real property in a
19 renaissance zone on which a casino is operated, personal property
20 of a casino located in a renaissance zone, and all property asso-
21 ciated or affiliated with the operation of a casino is not eligi-
22 ble for the exemption, deduction, or credit listed in section
23 9(1) or (2). As used in this subsection, "casino" means a casino
24 or a parking lot, hotel, motel, or retail store owned or operated
25 by a casino, an affiliate, or an affiliated company, regulated by
26 this state pursuant to the Michigan gaming control and revenue
27 act, the Initiated Law of 1996, MCL 432.201 to 432.226.

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1 (6) FOR TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 1997, AN
2 INDIVIDUAL WHO IS A RESIDENT OF A RENAISSANCE ZONE SHALL NOT BE
3 DENIED THE EXEMPTION UNDER SUBSECTION (1) IF THE INDIVIDUAL
4 FAILED TO FILE A RETURN ON OR BEFORE DECEMBER 31 OF THE PRIOR TAX
5 YEAR UNDER SUBSECTION (1)(A)(ii) AND THAT INDIVIDUAL WAS ENTITLED
6 TO A REFUND UNDER THAT ACT.

7 Enacting section 1. This amendatory act does not take
8 effect unless House Bill No. 4733 of the 90th Legislature is
9 enacted into law.