

# HOUSE BILL No. 4816

May 19, 2005, Introduced by Reps. Huizenga, Baxter, LaJoy, Pavlov, Nitz, Newell, Stewart, Stahl, Gosselin, Elsenheimer, Mortimer, Booher, Kahn, Emmons, Nofs, Taub and Hildenbrand and referred to the Committee on Commerce.

A bill to amend 1996 PA 376, entitled  
"Michigan renaissance zone act,"  
by amending section 8d (MCL 125.2688d), as amended by 2004 PA 202.

## 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 20 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  
6 combination of cities, villages, or townships consents to the  
7 creation of a recovery zone within their boundaries. A recovery  
8 zone shall have a duration of renaissance zone status for a period  
9 not to exceed 15 years as determined by the board of the Michigan  
10 strategic fund.

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(2) The board of the Michigan strategic fund may designate a recovery zone within this state if the recovery zone consists only of 1 or more parcels of qualified tool and die business property.

(3) The board of the Michigan strategic fund may revoke the designation of all or a portion of a recovery zone with respect to 1 or more qualified tool and die businesses if those qualified tool and die businesses fail or cease to participate in or comply with a qualified collaborative agreement.

(4) As used in this section:

**[(A) "ACTUALLY ENGAGED IN THE TOOL AND DIE WORK OF THE BUSINESS ENTITY" MEANS EMPLOYEES OF THE TOOL AND DIE BUSINESS WHOSE WORK INCLUDES THE DESIGNING OR MANUFACTURING OF A TOOL OR DIE AND DOES NOT INCLUDE EMPLOYEES DOING OTHER MANUFACTURING WORK, SHIPPING AND RECEIVING FUNCTIONS, GENERAL MAINTENANCE, SECRETARIAL SUPPORT, ACCOUNTING, SALES, ESTIMATING, OR OTHER GENERAL OR ADMINISTRATIVE TASKS.]**

~~(a)~~(B) "Qualified collaborative agreement" means an agreement that demonstrates synergistic opportunities, including, but not limited to, all of the following:

(i) Sales and marketing efforts.

(ii) Development of standardized processes.

(iii) Development of tooling standards.

(iv) Standardized project management methods.

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

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

(i) Has a North American industrial classification system (NAICS) of 333511, 333512, 333513, 333514, or 333515; or has a North American industrial classification system (NAICS) of 337215 and operates a facility within an existing renaissance zone, which facility is adjacent to real property not located in a renaissance zone and is located within 1/4 mile of a Michigan technical education center.

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(ii) Has entered into a qualified collaboration agreement as approved by the Michigan strategic fund with other business entities that have a North American industrial classification system (NAICS) of 333511, 333512, 333513, 333514, or 333515.

(iii) Has less than 50 full-time employees **ACTUALLY ENGAGED IN THE TOOL AND DIE WORK OF THE BUSINESS ENTITY.**

**[~~(e)~~(D)]** "Qualified tool and die business property" means 1 or more of the following:

(i) Property owned by 1 or more qualified tool and die businesses and used by those qualified tool and die businesses primarily for tool and die business operations. **QUALIFIED TOOL AND DIE BUSINESS PROPERTY IS USED PRIMARILY FOR TOOL AND DIE BUSINESS OPERATIONS IF THE QUALIFIED TOOL AND DIE BUSINESSES THAT OWN THE QUALIFIED TOOL AND DIE BUSINESS PROPERTY GENERATE 51% OR MORE OF THE QUALIFIED TOOL AND DIE BUSINESSES' GROSS REVENUE FROM TOOL AND DIE OPERATIONS THAT TAKE PLACE ON THE QUALIFIED TOOL AND DIE BUSINESS PROPERTY.**

(ii) Property leased by 1 or more qualified tool and die business for which the qualified tool and die business is liable for ad valorem property taxes and which is used by those qualified tool and die businesses primarily for tool and die business operations. **QUALIFIED TOOL AND DIE BUSINESS PROPERTY IS USED PRIMARILY FOR TOOL AND DIE BUSINESS OPERATIONS IF THE QUALIFIED TOOL AND DIE BUSINESSES THAT LEASE THE QUALIFIED TOOL AND DIE BUSINESS PROPERTY GENERATE 51% OR MORE OF THE QUALIFIED TOOL AND DIE BUSINESSES' GROSS REVENUE FROM TOOL AND DIE OPERATIONS THAT TAKE PLACE ON THE QUALIFIED TOOL AND DIE BUSINESS PROPERTY.** The

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1 qualified tool and die business shall furnish proof of its ad  
2 valorem property tax liability to the department of treasury.

3 ~~[(d)]~~(E) "Recovery zone" means a tool and die renaissance recovery  
4 zone created in this section.