

**SUBSTITUTE FOR
HOUSE BILL NO. 5600**

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 3, 4, 8a, 8d, 8e, and 10 (MCL 125.2683,
125.2684, 125.2688a, 125.2688d, 125.2688e, and 125.2690), section 3
as amended by 2006 PA 304, section 4 as amended by 2006 PA 440,
section 8a as amended by 2006 PA 476, section 8d as amended by 2006
PA 93, section 8e as added by 2006 PA 270, and section 10 as
amended by 2007 PA 186.

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

1 that are used for intermediate or final consumption including goods
2 for nonfood use, and surrounding property.

3 (b) "Board" means the state administrative board created in
4 1921 PA 2, MCL 17.1 to 17.3.

5 (c) "Development plan" means a written plan that addresses the
6 criteria in section 7 and includes all of the following:

7 (i) A map of the proposed renaissance zone that indicates the
8 geographic boundaries, the total area, and the present use and
9 conditions generally of the land and structures within those
10 boundaries.

11 (ii) Evidence of community support and commitment from
12 residential and business interests.

13 (iii) A description of the methods proposed to increase economic
14 opportunity and expansion, facilitate infrastructure improvement,
15 and identify job training opportunities.

16 (iv) Current social, economic, and demographic characteristics
17 of the proposed renaissance zone and anticipated improvements in
18 education, health, human services, public safety, and employment if
19 the renaissance zone is created.

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

21 (d) "Elected county executive" means the elected county
22 executive in a county organized under 1966 PA 293, MCL 45.501 to
23 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

24 (e) "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

1 biomass or alternative fuels through the utilization of forest
2 products or forest residue, and surrounding property. Forest
3 products processing facility does not include an existing facility
4 or operation that is located in this state that relocates to a
5 renaissance zone for a forest products processing facility. Forest
6 products processing facility does not include a facility or
7 operation that engages primarily in retail sales.

8 (f) "Local governmental unit" means a county, city, village,
9 or township.

10 (g) "Person" means an individual, partnership, corporation,
11 association, limited liability company, governmental entity, or
12 other legal entity.

13 (h) "Qualified local governmental unit" means either of the
14 following:

15 (i) A county.

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

19 (i) "Recovery zone" means a tool and die renaissance recovery
20 zone created in section 8d.

21 (j) "Renaissance zone" means a geographic area designated
22 under this act.

23 (k) "Renewable energy facility" means a ~~system~~**FACILITY** that
24 creates energy **DIRECTLY OR FUEL** from a ~~process using~~**THE WIND, THE**
25 **SUN, TREES, GRASSES, BIOSOLIDS, ALGAE, AGRICULTURAL COMMODITIES OR**
26 residues from agricultural ~~products~~**PROCESSES, WOOD OR forest**
27 ~~products~~**PROCESSES, OR FROM THE** paper products industries, and food

1 ~~production and processing; trees and grasses grown specifically to~~
 2 ~~be used as energy crops; and gaseous fuels produced~~ INDUSTRY.

3 RENEWABLE ENERGY FACILITY ALSO INCLUDES A FACILITY THAT CREATES
 4 ENERGY OR FUELS from solid biomass, BIOSOLIDS, animal wastes, or
 5 landfills OR MATERIALS CAPTURED FROM LANDFILLS. RENEWABLE ENERGY
 6 FACILITY ALSO INCLUDES A FACILITY THAT FOCUSES ON RESEARCH,
 7 DEVELOPMENT, OR MANUFACTURING OF SYSTEMS OR COMPONENTS OF SYSTEMS
 8 USED TO CREATE ENERGY OR FUEL FROM THE ITEMS DESCRIBED IN THIS
 9 SUBDIVISION AS DETERMINED BY THE STRATEGIC FUND BOARD.

10 (l) "Residential rental property" means that term as defined in
 11 section 7ff of the general property tax act, 1893 PA 206, MCL
 12 211.7ff.

13 (m) "Review board" means the renaissance zone review board
 14 created in section 5.

15 (n) "Rural area" means an area that lies outside of the
 16 boundaries of an urban area.

17 (o) "Urban area" means an urbanized area as determined by the
 18 economics and statistics administration, United States bureau of
 19 the census according to the 1990 census.

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

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

27 (b) The application includes a development plan.

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

3 (d) The renaissance zone does not contain more than 10
4 distinct geographic areas. Except as otherwise provided in this
5 subdivision, the minimum size of a distinct geographic area is not
6 less than 5 acres. A qualified local governmental unit or units may
7 designate not more than ~~4~~8 distinct geographic areas in each
8 renaissance zone to have no minimum size requirement.

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

12 (f) If the qualified local governmental unit has an elected
13 county executive, the county executive's written approval of the
14 application.

15 (g) If the qualified local governmental unit is a city, that
16 city's mayor's written approval of the application.

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

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

25 (4) Beginning December 1, 2006 through December 31, 2011, a
26 qualified local governmental unit or units in which a renaissance
27 zone was designated under section 8 or 8a(1) or (3) may designate

1 additional distinct geographic areas not to exceed a total of 10
2 distinct geographic areas upon application to and approval by the
3 board of the Michigan strategic fund if the distinct geographic
4 area is located in an eligible distressed area as defined in
5 section 11 of the state housing development authority act of 1966,
6 1966 PA 346, MCL 125.1411, or is contiguous to an eligible
7 distressed area, and if the additional distinct geographic area
8 will increase capital investment ~~and~~ OR job creation. The duration
9 of renaissance zone status for the additional distinct geographic
10 areas shall not exceed 15 years.

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

18 (6) Through December 31, 2002, a qualified local governmental
19 unit or units in which a renaissance zone was designated under
20 section 8 or 8a may, upon application to and approval by the board,
21 seek to extend the duration of renaissance zone status until 2017.
22 Upon application, the board may extend the duration of renaissance
23 zone status.

24 (7) Through December 31, 2011, a qualified local governmental
25 unit or units in which a renaissance zone was designated under
26 section 8 or 8a(1) or (3) ~~that has not experienced significant~~
27 ~~development~~ may, upon application to and approval by the board of

1 the Michigan strategic fund, seek to extend the duration of
2 renaissance zone status for 1 or more portions of the renaissance
3 zone **IF THAT ZONE OR PORTION OF A ZONE IS IN EXISTENCE AS OF MARCH**
4 **15, 2008, AND IF THE EXTENSION WILL INCREASE CAPITAL INVESTMENT OR**
5 **JOB CREATION.** The board of the Michigan strategic fund may extend
6 renaissance zone status for 1 or more portions of the renaissance
7 zone under this subsection for a period of time not to exceed 15
8 years from the date of the application to the board of the Michigan
9 strategic fund under this subsection. **HOWEVER, BEGINNING ON THE**
10 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE, IF**
11 **THE BOARD OF THE MICHIGAN STRATEGIC FUND EXTENDS THE DURATION OF 1**
12 **OR MORE PORTIONS OF A RENAISSANCE ZONE UNDER THIS SUBSECTION, THE**
13 **BOARD OF THE MICHIGAN STRATEGIC FUND MAY REVOKE THAT EXTENSION IF**
14 **THE BOARD DETERMINES THAT INCREASED CAPITAL INVESTMENT OR JOB**
15 **CREATION WILL NOT BEGIN WITHIN 1 YEAR OF THE GRANTING OF THE**
16 **EXTENSION OR OTHERWISE VIOLATES THE TERMS OF THE WRITTEN**
17 **DEVELOPMENT AGREEMENT BETWEEN THE OWNER OF THE REAL PROPERTY AND**
18 **THE BOARD OF THE MICHIGAN STRATEGIC FUND. ONLY THE QUALIFIED LOCAL**
19 **GOVERNMENTAL UNIT THAT IS REQUESTING THE EXTENSION OF TIME MAY**
20 **SUBMIT THE APPLICATION. IF THE BOARD OF THE MICHIGAN STRATEGIC FUND**
21 **EXTENDS THE DURATION OF 1 OR MORE PORTIONS OF A RENAISSANCE ZONE,**
22 **THE BOARD OF THE MICHIGAN STRATEGIC FUND SHALL ENTER INTO A WRITTEN**
23 **DEVELOPMENT AGREEMENT WITH THE OWNER OF ALL REAL PROPERTY LOCATED**
24 **WITHIN THE BOUNDARIES OF THE PORTIONS OF THE RENAISSANCE ZONE WHOSE**
25 **DURATION HAS BEEN EXTENDED. THE WRITTEN DEVELOPMENT AGREEMENT SHALL**
26 **INCLUDE, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:**

27 (A) THE DURATION OF THE EXTENSION.

1 (B) THE CONDITIONS UNDER WHICH THE EXTENSION IS GRANTED.

2 (C) THE AMOUNT OF CAPITAL INVESTMENT.

3 (D) THE NUMBER OF JOBS TO BE CREATED.

4 (E) ANY OTHER CONDITIONS OR REQUIREMENTS REASONABLY REQUIRED
5 BY THE BOARD OF THE MICHIGAN STRATEGIC FUND.

6 Sec. 8a. (1) Except as provided in subsections (2), (3), and
7 (4), the board shall not designate more than 9 additional
8 renaissance zones within this state under this section. Not more
9 than 6 of the renaissance zones shall be located in urban areas and
10 not more than 5 of the renaissance zones shall be located in rural
11 areas. For purposes of determining whether a renaissance zone is
12 located in an urban area or rural area under this section, if any
13 part of a renaissance zone is located within an urban area, the
14 entire renaissance zone shall be considered to be located in an
15 urban area.

16 (2) The board of the Michigan strategic fund described in
17 section 4 of the Michigan strategic fund act, 1984 PA 270, MCL
18 125.2004, may designate not more than ~~13~~14 additional renaissance
19 zones within this state in 1 or more cities, villages, or townships
20 if that city, village, or township or combination of cities,
21 villages, or townships consents to the creation of a renaissance
22 zone within their boundaries. The board of the Michigan strategic
23 fund may designate not more than 1 of the ~~13~~14 additional
24 renaissance zones described in this subsection as an alternative
25 energy zone. An alternative energy zone shall promote and increase
26 the research, development, testing, and manufacturing of
27 alternative energy technology, alternative energy systems, and

1 alternative energy vehicles, as those terms are defined in the
2 Michigan next energy authority act, 2002 PA 593, MCL 207.821 to
3 207.827. An alternative energy zone shall have a duration of
4 renaissance zone status for a period not to exceed 20 years as
5 determined by the board of the Michigan strategic fund. Not later
6 than April 16, 2004, the board of the Michigan strategic fund may
7 designate not more than 1 of the ~~13~~**14** additional renaissance zones
8 described in this subsection as a pharmaceutical renaissance zone.
9 A pharmaceutical renaissance zone shall promote and increase the
10 research, development, and manufacturing of pharmaceutical products
11 of an eligible pharmaceutical company. The board of the Michigan
12 strategic fund may designate not more than 8 of the additional ~~13~~
13 **14** renaissance zones described in this subsection as a
14 redevelopment renaissance zone. A redevelopment renaissance zone
15 shall promote the redevelopment of existing industrial facilities
16 or the development of property for industrial purposes. Before
17 designating a renaissance zone under this subsection, the board of
18 the Michigan strategic fund may enter into a development agreement
19 with the city, township, or village in which the renaissance zone
20 will be located and the owner or developer of the facility or
21 property located in the renaissance zone. The development agreement
22 for a redevelopment renaissance zone described only in subsection
23 (6) (b) (vi) or (vii) may provide for the payment of 1 or more of the
24 taxes described in section 9.

25 (3) In addition to the not more than 9 additional renaissance
26 zones described in subsection (1), the board may designate
27 additional renaissance zones within this state in 1 or more

1 qualified local governmental units if that qualified local
2 governmental unit or units contain a military installation that was
3 operated by the United States department of defense and was closed
4 in 1977 or after 1990.

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

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

19 (6) As used in this section:

20 (a) "Eligible pharmaceutical company" means a company that
21 meets all of the following criteria:

22 (i) Is engaged primarily in manufacturing, research and
23 development, and sale of pharmaceuticals.

24 (ii) Has not less than 8,499 employees located in this state,
25 all of whom are located within a 100-mile radius of each other.

26 (iii) Of the total number of employees located in this state,
27 has not less than 4,800 engaged primarily in research and

1 development of pharmaceuticals.

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.

1 (v) All of the following:

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

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

7 (vi) All of the following:

8 (A) Is located in a city with a population of more than
9 190,000 and less than 250,000 and is located in a county with a
10 population of more than 573,000 and less than 625,000.

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

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

15 (vii) All of the following:

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

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

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

23 (viii) All of the following:

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

27 (B) Contains only all or a portion of an industrial site

1 composed of 1 or more adjacent parcels totaling 100 or more acres.

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

4 Sec. 8d. (1) The board of the Michigan strategic fund
5 described in section 4 of the Michigan strategic fund act, 1984 PA
6 270, MCL 125.2004, may designate not more than 25 tool and die
7 renaissance recovery zones within this state in 1 or more cities,
8 villages, or townships if that city, village, or township or
9 combination of cities, villages, or townships consents to the
10 creation of a recovery zone within their boundaries. A recovery
11 zone shall have a duration of renaissance zone status for a period
12 of not less than 5 years and not more than 15 years as determined
13 by the board of the Michigan strategic fund. If the Michigan
14 strategic fund determines that the duration of renaissance zone
15 status for a recovery zone is less than 15 years, then the Michigan
16 strategic fund, with the consent of the city, village, or township
17 or combination of cities, villages, or townships in which the
18 qualified tool and die business is located, may extend the duration
19 of renaissance zone status for the recovery zone for 1 or more
20 periods that when combined do not exceed 15 years. Not less than 1
21 of the recovery zones shall consist of 1 or more qualified tool and
22 die businesses that have a North American industrial classification
23 system (NAICS) of 332997.

24 (2) The board of the Michigan strategic fund may designate a
25 recovery zone within this state if the recovery zone consists of
26 not less than 4 and not more than 20 qualified tool and die
27 businesses at the time of designation. If the board of the Michigan

1 strategic fund designated 1 or more recovery zones that contain
2 less than 20 qualified tool and die businesses before December 19,
3 2005, the board of the Michigan strategic fund may add additional
4 qualified tool and die businesses to that recovery zone subject to
5 the limitations contained in this subsection. A recovery zone shall
6 consist of only qualified tool and die business property. The board
7 of the Michigan strategic fund may combine existing recovery zones
8 that are comprised solely of tool and die businesses that are
9 parties to the same qualified collaborative agreement. Where 2 or
10 more recovery zones have been combined, the board of the Michigan
11 strategic fund may continue to designate additional recovery zones,
12 provided that no more than 25 tool and die recovery zones exist at
13 1 time.

14 (3) The board of the Michigan strategic fund may revoke the
15 designation of all or a portion of a recovery zone with respect to
16 1 or more qualified tool and die businesses if those qualified tool
17 and die businesses fail or cease to participate in or comply with a
18 qualified collaborative agreement. A qualified tool and die
19 business may enter into another qualified collaborative agreement
20 once it is designated part of a recovery zone.

21 (4) One or more qualified tool and die businesses subject to a
22 qualified collaborative agreement may merge into another group of
23 qualified tool and die businesses subject to a different qualified
24 collaborative agreement upon application to and approval by the
25 Michigan strategic fund.

26 (5) A qualified tool and die business in a recovery zone may
27 have a different period of renaissance zone status than other

1 qualified tool and die businesses in the same recovery zone.

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

6 (7) THE BOARD OF THE MICHIGAN STRATEGIC FUND MAY MODIFY AN
7 EXISTING RECOVERY ZONE TO ADD ADDITIONAL PROPERTY UNDER THE SAME
8 TERMS AND CONDITIONS AS THE EXISTING RECOVERY ZONE IF ALL OF THE
9 FOLLOWING ARE MET:

10 (A) THE ADDITIONAL REAL PROPERTY IS CONTIGUOUS TO EXISTING
11 QUALIFIED TOOL AND DIE BUSINESS PROPERTY AND WILL BECOME QUALIFIED
12 TOOL AND DIE BUSINESS PROPERTY ONCE IT IS BROUGHT INTO OPERATION AS
13 DETERMINED BY THE BOARD OF THE MICHIGAN STRATEGIC FUND.

14 (B) THE CITY, VILLAGE, OR TOWNSHIP IN WHICH THE QUALIFIED TOOL
15 AND DIE BUSINESS IS LOCATED CONSENTS TO THE MODIFICATION.

16 (8) ~~(7)~~—As used in this section:

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

20 (i) Sales and marketing efforts.

21 (ii) Development of standardized processes.

22 (iii) Development of tooling standards.

23 (iv) Standardized project management methods.

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

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

1 (i) Has a North American industrial classification system
2 (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515; or
3 has a North American industrial classification system (NAICS) of
4 337215 and operates a facility within an existing renaissance zone,
5 which facility is adjacent to real property not located in a
6 renaissance zone and is located within 1/4 mile of a Michigan
7 technical education center.

8 (ii) Has entered into a qualified collaboration agreement as
9 approved by the Michigan strategic fund consisting of not fewer
10 than 4 or more than 20 other business entities at the time of
11 designation that have a North American industrial classification
12 system (NAICS) of 332997, 333511, 333512, 333513, 333514, or
13 333515.

14 (iii) Has fewer than 75 full-time employees.

15 (c) "Qualified tool and die business property" means 1 or more
16 of the following:

17 (i) Property owned by 1 or more qualified tool and die
18 businesses and used by those qualified tool and die businesses
19 primarily for tool and die business operations. Qualified tool and
20 die business property is used primarily for tool and die business
21 operations if the qualified tool and die businesses that own the
22 qualified tool and die business property generate 75% or more of
23 the qualified tool and die businesses' gross revenue from tool and
24 die operations that take place on the qualified tool and die
25 business property at the time of designation.

26 (ii) Property leased by 1 or more qualified tool and die
27 business for which the qualified tool and die business is liable

1 for ad valorem property taxes and which is used by those qualified
2 tool and die businesses primarily for tool and die business
3 operations. Qualified tool and die business property is used
4 primarily for tool and die business operations if the qualified
5 tool and die businesses that lease the qualified tool and die
6 business property generate 75% or more of the qualified tool and
7 die businesses' gross revenue from tool and die operations that
8 take place on the qualified tool and die business property at the
9 time of designation. The qualified tool and die business shall
10 furnish proof of its ad valorem property tax liability to the
11 department of treasury.

12 Sec. 8e. (1) The board, upon recommendation of the board of
13 the Michigan strategic fund defined in section 4 of the Michigan
14 strategic fund act, 1984 PA 270, MCL 125.2004, **AND UPON**
15 **RECOMMENDATION OF THE COMMISSION OF AGRICULTURE IF THE RENEWABLE**
16 **ENERGY FACILITY USES AGRICULTURAL CROPS OR RESIDUES, OR PROCESSED**
17 **PRODUCTS FROM AGRICULTURAL CROPS AS ITS PRIMARY RAW MATERIAL**
18 **SOURCE**, may designate not more than 10 additional renaissance zones
19 for renewable energy facilities within this state in 1 or more
20 cities, villages, or townships if that city, village, or township
21 or combination of cities, villages, or townships consents to the
22 creation of a renaissance zone for a renewable energy facility
23 within their boundaries.

24 (2) Each renaissance zone designated for a renewable energy
25 facility under this section shall be 1 continuous distinct
26 geographic area.

27 (3) The board may revoke the designation of all or a portion

1 of a renaissance zone for a renewable energy facility if the board
2 determines that the renewable energy facility does 1 or more of the
3 following in a renaissance zone designated under this section:

4 (a) Fails to commence operation.

5 (b) Ceases operation.

6 (c) Fails to commence construction or renovation within 1 year
7 from the date the renaissance zone for the renewable energy
8 facility is designated.

9 (4) When designating a renaissance zone for a renewable energy
10 facility, the board shall consider all of the following:

11 (a) The economic impact on local suppliers who supply raw
12 materials, goods, and services to the renewable energy facility.

13 (b) The creation of jobs relative to the employment base of
14 the community rather than the static number of jobs created.

15 (c) The viability of the project.

16 (d) The economic impact on the community in which the
17 renewable energy facility is located.

18 (e) All other things being equal, giving preference to a
19 business entity already located in this state.

20 (f) Whether the renewable energy facility can be located in an
21 existing renaissance zone designated under section 8 or 8a.

22 (5) Beginning on ~~the effective date of the amendatory act that~~
23 ~~added this subsection~~ **JULY 7, 2006**, the board shall require a
24 development agreement between the Michigan strategic fund and the
25 renewable energy facility.

26 (6) Until the maximum number of additional renaissance zones
27 for renewable energy facilities described in subsection (1) is met,

1 if the board designates a renaissance zone under this section,
2 section 8c, or section 8f for a facility that is a forest products
3 processing facility or an agricultural processing facility and that
4 also meets the definition of a renewable energy facility, then the
5 board shall only designate that renaissance zone as a renaissance
6 zone for a renewable energy facility under this section.

7 (7) As used in this section, "development agreement" means a
8 written agreement between the Michigan strategic fund and the
9 renewable energy facility that includes, but is not limited to, all
10 of the following:

11 (a) A requirement that the renewable energy facility comply
12 with all state and local laws.

13 (b) A requirement that the renewable energy facility report
14 annually to the Michigan strategic fund on all of the following:

15 (i) The amount of capital investment made at the facility.

16 (ii) The number of individuals employed at the facility at the
17 beginning and end of the reporting period as well as the number of
18 individuals transferred to the facility from another facility owned
19 by the renewable energy facility.

20 (iii) The percentage of raw materials purchased in this state.

21 (c) Any other conditions or requirements reasonably required
22 by the Michigan strategic fund.

23 Sec. 10. (1) An individual who is a resident of a renaissance
24 zone or a business that is located and conducts business activity
25 within a renaissance zone or a person that owns property located in
26 a renaissance zone is not eligible for the exemption, deduction, or
27 credit listed in section 9(1) or (2) for that taxable year if 1 or

1 more of the following apply:

2 (a) The resident, business, or property owner is delinquent on
3 December 31 of the prior tax year under 1 or more of the following:

4 (i) ~~The single business tax act, FORMER 1975 PA 228, MCL 208.1~~
5 ~~to 208.145,~~ or the Michigan business tax act, 2007 PA 36, MCL
6 208.1101 to 208.1601.

7 (ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to
8 206.532.

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

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

12 (v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to
13 125.2123.

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

15 (vii) The technology park development act, 1984 PA 385, MCL
16 207.701 to 207.718.

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

19 (ix) The neighborhood enterprise zone act, 1992 PA 147, MCL
20 207.771 to 207.786.

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

23 (b) The resident, business, or property owner is substantially
24 delinquent as defined in a written policy by the qualified local
25 governmental unit in which the renaissance zone is located on
26 December 31 of the prior tax year under 1 or both of the following:

27 (i) The city income tax act, 1964 PA 284, MCL 141.501 to

1 141.787.

2 (ii) Taxes, fees, and special assessments collected under the
3 general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

4 (c) For residential rental property in a renaissance zone, the
5 residential rental property is not in substantial compliance with
6 all applicable state and local zoning, building, and housing laws,
7 ordinances, or codes and, except as otherwise provided in this
8 subdivision, the residential rental property owner has not filed an
9 affidavit before December 31 in the immediately preceding tax year
10 with the local tax collecting unit in which the residential rental
11 property is located as required under section 7ff of the general
12 property tax act, 1893 PA 206, MCL 211.7ff. Beginning December 31,
13 2004, a residential rental property owner is not required to file
14 an affidavit if the qualified local governmental unit in which the
15 residential rental property is located determines that the
16 residential rental property is in substantial compliance with all
17 applicable state and local zoning, building, and housing laws,
18 ordinances, and codes on December 31 of the immediately preceding
19 tax year.

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

26 (3) A casino located and conducting business activity within a
27 renaissance zone is not eligible for the exemption, deduction, or

1 credit listed in section 9(1) or (2). Real property in a
2 renaissance zone on which a casino is operated, personal property
3 of a casino located in a renaissance zone, and all property
4 associated or affiliated with the operation of a casino is not
5 eligible for the exemption, deduction, or credit listed in section
6 9(1) or (2). As used in this subsection, "casino" means a casino or
7 a parking lot, hotel, motel, or retail store owned or operated by a
8 casino, an affiliate, or an affiliated company, regulated by this
9 state pursuant to the Michigan gaming control and revenue act, ~~the~~
10 ~~Initiated Law of 1996~~ 1996 IL 1, MCL 432.201 to 432.226.

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

17 (5) FOR TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 2006, A
18 BUSINESS THAT IS LOCATED AND CONDUCTS BUSINESS ACTIVITY WITHIN A
19 RENAISSANCE ZONE SHALL NOT BE DENIED THE EXEMPTION UNDER SUBSECTION
20 (1) IF THE BUSINESS FAILED TO FILE A RETURN ON OR BEFORE DECEMBER
21 31 OF THE PRIOR TAX YEAR UNDER SUBSECTION (1)(A)(i) AND THAT
22 BUSINESS HAD NO TAX LIABILITY UNDER THAT ACT FOR THE TAX YEAR FOR
23 WHICH THE RETURN WAS NOT FILED.