

**SUBSTITUTE FOR
HOUSE BILL NO. 5746**

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending section 8e (MCL 125.2688e), as added by 2008 PA 117.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8e. (1) The board, upon recommendation of the board of
2 the Michigan strategic fund defined in section 4 of the Michigan
3 strategic fund act, 1984 PA 270, MCL 125.2004, and upon
4 recommendation of the commission of agriculture if the renewable
5 energy facility uses agricultural crops or residues, or processed
6 products from agricultural crops as its primary raw material
7 source, may designate not more than ~~10~~**15** additional renaissance
8 zones for renewable energy facilities within this state in 1 or
9 more cities, villages, or townships if that city, village, or

1 township or combination of cities, villages, or townships consents
2 to the creation of a renaissance zone for a renewable energy
3 facility within their boundaries. **NOT FEWER THAN 5 OF THE**
4 **RENAISSANCE ZONES FOR RENEWABLE ENERGY FACILITIES SHALL BE**
5 **DESIGNATED FOR RENEWABLE ENERGY FACILITIES THAT FOCUS PRIMARILY ON**
6 **THE PRODUCTION OF CELLULOSIC BIOFUELS.**

7 (2) Each renaissance zone designated for a renewable energy
8 facility under this section shall be 1 continuous distinct
9 geographic area.

10 (3) The board may revoke the designation of all or a portion
11 of a renaissance zone for a renewable energy facility if the board
12 determines that the renewable energy facility does 1 or more of the
13 following in a renaissance zone designated under this section:

14 (a) Fails to commence operation.

15 (b) Ceases operation.

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

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

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

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

25 (c) The viability of the project.

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

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

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

5 (5) Beginning on July 7, 2006, the board shall require a
6 development agreement between the Michigan strategic fund and the
7 renewable energy facility.

8 (6) Until the maximum number of additional renaissance zones
9 for renewable energy facilities described in subsection (1) is met,
10 if the board designates a renaissance zone under this section,
11 section 8c, or section 8f for a facility that is a forest products
12 processing facility or an agricultural processing facility and that
13 also meets the definition of a renewable energy facility, then the
14 board shall only designate that renaissance zone as a renaissance
15 zone for a renewable energy facility under this section.

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

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

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

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

25 (ii) The number of individuals employed at the facility at the
26 beginning and end of the reporting period as well as the number of
27 individuals transferred to the facility from another facility owned

1 by the renewable energy facility.

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

3 (c) Any other conditions or requirements reasonably required

4 by the Michigan strategic fund.