

# SENATE BILL No. 111

February 8, 2011, Introduced by Senator HANSEN and referred to the Committee on Economic Development.

A bill to amend 1996 PA 376, entitled  
"Michigan renaissance zone act,"  
by amending section 3 (MCL 125.2683), as amended by 2010 PA 277,  
and by adding section 8i.

## 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  
6 that are used for intermediate or final consumption including goods  
7 for nonfood use, and surrounding property.

8       (b) "Board" means the state administrative board created in  
9 1921 PA 2, MCL 17.1 to 17.3.

1 (c) "Border crossing facility" means a business that is 1 or  
2 more of the following as determined by the board of the Michigan  
3 strategic fund:

4 (i) That was located in a qualified border local governmental  
5 unit as defined in section 8g and was displaced or otherwise  
6 negatively affected by the development of the international border  
7 crossing and is unable to recover from the displacement or negative  
8 effect without the establishment of a renaissance zone.

9 (ii) That is associated with international trade, shipping, or  
10 freight hauling, including, but not limited to, all of the  
11 following:

12 (A) Customs brokers.

13 (B) Distribution centers.

14 (C) Truck supply and repair.

15 (d) "Development plan" means a written plan that addresses the  
16 criteria in section 7 and includes all of the following:

17 (i) A map of the proposed renaissance zone that indicates the  
18 geographic boundaries, the total area, and the present use and  
19 conditions generally of the land and structures within those  
20 boundaries.

21 (ii) Evidence of community support and commitment from  
22 residential and business interests.

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

26 (iv) Current social, economic, and demographic characteristics  
27 of the proposed renaissance zone and anticipated improvements in

1 education, health, human services, public safety, and employment if  
2 the renaissance zone is created.

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

4 (e) "Elected county executive" means the elected county  
5 executive in a county organized under 1966 PA 293, MCL 45.501 to  
6 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

7 (f) "Eligible next Michigan business" means a business engaged  
8 in the shipment of tangible personal property via multimodal  
9 commerce; a supply chain business providing a majority of its  
10 services to businesses engaged in the shipment of tangible personal  
11 property, including inventory, via multimodal commerce; a  
12 manufacturing or assembly facility receiving a majority of its  
13 production components via multimodal commerce; a manufacturing or  
14 assembly facility shipping a majority of products via multimodal  
15 commerce; or a light manufacturing or assembly facility that  
16 packages, kits, labels, or customizes products and ships those  
17 products via multimodal commerce.

18 (G) "ENTREPRENEURIAL BUSINESS" MEANS 1 OF THE FOLLOWING:

19 (i) A NEW, FOR-PROFIT START-UP BUSINESS OF 100 EMPLOYEES OR  
20 LESS REGISTERED IN AND WITH THIS STATE ON OR AFTER JULY 1, 2010.

21 (ii) AN EXISTING BUSINESS THAT DOES 1 OR MORE OF THE FOLLOWING  
22 AS DETERMINED BY THE BOARD OF THE MICHIGAN STRATEGIC FUND:

23 (A) INCREASES THE SIZE OF ITS FACILITY BY 25% OR MORE.

24 (B) INCREASES THE NUMBER OF EMPLOYEES AT ITS FACILITY BY 25%  
25 OR MORE.

26 (C) INCREASES THE AMOUNT OF CAPITAL INVESTMENT AT ITS  
27 FACILITY.

(H) "ENTREPRENEURIAL BUSINESS FACILITY" MEANS A FACILITY OR OPERATION THAT HAS AS ITS PRINCIPAL FUNCTION THE RESEARCH, DEVELOPMENT, SUPPORT, MANUFACTURING, OR PROVIDING A SERVICE FOR AN ENTREPRENEURIAL BUSINESS.

(I) ~~(g)~~—"Forest products processing facility" means 1 or more facilities or operations that transform, package, sort, recycle, or grade forest or paper products into goods that are used for intermediate or final use or consumption or for the creation of biomass or alternative fuels through the utilization of forest products or forest residue, and surrounding property. Forest products processing facility does not include an existing facility or operation that is located in this state that relocates to a renaissance zone for a forest products processing facility. Forest products processing facility does not include a facility or operation that engages primarily in retail sales.

(J) ~~(h)~~—"Local governmental unit" means a county, city, village, township, or, for taxes levied after 2009, any other taxing jurisdiction that levies an ad valorem property tax.

(K) ~~(i)~~—"Multimodal commerce" means the movement of products or services via 2 or more of the following:

(i) Air.

(ii) Road.

(iii) Rail.

(iv) Water.

(L) ~~(j)~~—"Next Michigan development corporation" means that term as defined in section 3 of the next Michigan development act, 2010 PA 275, MCL 125.2953.

1       (M) ~~(k)~~—"Next Michigan development district" means that term  
 2 as defined in section 3 of the next Michigan development act, 2010  
 3 PA 275, MCL 125.2953.

4       (N) ~~(l)~~—"Next Michigan renaissance zone" means a renaissance  
 5 zone created under section 8h.

6       (O) ~~(m)~~—"Person" means an individual, partnership,  
 7 corporation, association, limited liability company, governmental  
 8 entity, or other legal entity.

9       (P) ~~(n)~~—"Qualified eligible next Michigan business" means an  
 10 eligible next Michigan business that has been certified in  
 11 accordance with section 8h.

12       (Q) ~~(o)~~—"Qualified local governmental unit" means either of  
 13 the following:

14       (i) A county.

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

18       (R) ~~(p)~~—"Recovery zone" means a tool and die renaissance  
 19 recovery zone created in section 8d.

20       (S) ~~(q)~~—"Renaissance zone" means a geographic area designated  
 21 under this act.

22       (T) ~~(r)~~—"Renewable energy facility" means a facility that  
 23 creates energy, fuels, or chemicals directly from the wind, the  
 24 sun, trees, grasses, biosolids, algae, agricultural commodities,  
 25 processed products from agricultural commodities, or residues from  
 26 agricultural processes, wood or forest processes, food production  
 27 and processing, or the paper products industry. Renewable energy

1 facility also includes a facility that creates energy, fuels, or  
 2 chemicals from solid biomass, animal wastes, or landfill gases.  
 3 Renewable energy facility also includes a facility that focuses on  
 4 research, development, or manufacturing of systems or components of  
 5 systems used to create energy, fuel, or chemicals from the items  
 6 described in this subdivision. Renewable energy facility also  
 7 includes a facility that focuses on research, development, or  
 8 manufacturing of systems or components of systems that involve the  
 9 conversion of chemical energy for advanced battery technology.

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

13 (V) ~~(t)~~—"Review board" means the renaissance zone review board  
 14 created in section 5.

15 (W) ~~(u)~~—"Rural area" means an area that lies outside of the  
 16 boundaries of an urban area.

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

20 **SEC. 8I. (1) THE BOARD, UPON RECOMMENDATION OF THE BOARD OF**  
 21 **THE MICHIGAN STRATEGIC FUND DEFINED IN SECTION 4 OF THE MICHIGAN**  
 22 **STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004, MAY DESIGNATE**  
 23 **ADDITIONAL RENAISSANCE ZONES FOR ENTREPRENEURIAL BUSINESS**  
 24 **FACILITIES WITHIN THIS STATE IN THAT PORTION OF A CITY, VILLAGE, OR**  
 25 **TOWNSHIP IF THAT CITY, VILLAGE, OR TOWNSHIP OR COMBINATION OF**  
 26 **CITIES, VILLAGES, OR TOWNSHIPS CONSENTS TO THE CREATION OF A**  
 27 **RENAISSANCE ZONE FOR AN ENTREPRENEURIAL BUSINESS FACILITY WITHIN**

1 THEIR BOUNDARIES. A RENAISSANCE ZONE FOR AN ENTREPRENEURIAL  
2 BUSINESS FACILITY SHALL HAVE A DURATION OF RENAISSANCE ZONE STATUS  
3 FOR A PERIOD OF 5 YEARS.

4 (2) EACH RENAISSANCE ZONE DESIGNATED FOR AN ENTREPRENEURIAL  
5 BUSINESS FACILITY UNDER THIS SECTION SHALL BE 1 CONTINUOUS DISTINCT  
6 GEOGRAPHIC AREA.

7 (3) THE BOARD MAY REVOKE THE DESIGNATION OF ALL OR A PORTION  
8 OF A RENAISSANCE ZONE FOR AN ENTREPRENEURIAL BUSINESS FACILITY IF  
9 THE BOARD DETERMINES THAT THE ENTREPRENEURIAL BUSINESS FACILITY  
10 DOES 1 OR MORE OF THE FOLLOWING IN A RENAISSANCE ZONE DESIGNATED  
11 UNDER THIS SECTION:

12 (A) FAILS TO COMMENCE OPERATION.

13 (B) CEASES OPERATION.

14 (C) FAILS TO COMMENCE CONSTRUCTION OR RENOVATION WITHIN 1 YEAR  
15 FROM THE DATE THE RENAISSANCE ZONE FOR THE ENTREPRENEURIAL BUSINESS  
16 FACILITY IS DESIGNATED.

17 (4) THE BOARD SHALL CONSIDER ALL OF THE FOLLOWING WHEN  
18 DESIGNATING A RENAISSANCE ZONE FOR AN ENTREPRENEURIAL BUSINESS  
19 FACILITY:

20 (A) THE ECONOMIC IMPACT ON LOCAL SUPPLIERS WHO SUPPLY RAW  
21 MATERIALS, GOODS, AND SERVICES TO THE ENTREPRENEURIAL BUSINESS  
22 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 ENTREPRENEURIAL BUSINESS FACILITY IS LOCATED.

1           (5) THE BOARD SHALL REQUIRE A DEVELOPMENT AGREEMENT BETWEEN  
2 THE MICHIGAN STRATEGIC FUND AND THE ENTREPRENEURIAL BUSINESS  
3 FACILITY.

4           (6) AS USED IN THIS SECTION, "DEVELOPMENT AGREEMENT" MEANS A  
5 WRITTEN AGREEMENT BETWEEN THE MICHIGAN STRATEGIC FUND AND THE  
6 ENTREPRENEURIAL BUSINESS FACILITY THAT INCLUDES, BUT IS NOT LIMITED  
7 TO, ALL OF THE FOLLOWING:

8           (A) A REQUIREMENT THAT THE ENTREPRENEURIAL BUSINESS FACILITY  
9 COMPLY WITH ALL STATE AND LOCAL LAWS.

10          (B) A REQUIREMENT THAT THE ENTREPRENEURIAL BUSINESS FACILITY  
11 REPORT ANNUALLY TO THE MICHIGAN STRATEGIC FUND ON ALL OF THE  
12 FOLLOWING:

13           (i) THE AMOUNT OF CAPITAL INVESTMENT MADE AT THE FACILITY.

14           (ii) THE NUMBER OF INDIVIDUALS EMPLOYED AT THE FACILITY AT THE  
15 BEGINNING AND END OF THE REPORTING PERIOD AS WELL AS THE NUMBER OF  
16 INDIVIDUALS TRANSFERRED TO THE FACILITY FROM ANOTHER FACILITY OWNED  
17 BY THE ENTREPRENEURIAL BUSINESS FACILITY.

18           (iii) THE PERCENTAGE OF RAW MATERIALS PURCHASED IN THIS STATE.

19          (C) APPROVAL OF THE BUSINESS PLAN BY A STATE RECOGNIZED  
20 ENTREPRENEURIAL SUPPORT RESOURCE AS DETERMINED BY THE BOARD.

21          (D) ANY OTHER CONDITIONS OR REQUIREMENTS REASONABLY REQUIRED  
22 BY THE MICHIGAN STRATEGIC FUND.