

HOUSE BILL No. 4819

June 11, 2013, Introduced by Reps. Tlaib, Heise, Geiss, Dillon, Slavens and Roberts and referred to the Committee on Tax Policy.

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending sections 3 and 8g (MCL 125.2683 and 125.2688g), section 3 as amended by 2010 PA 277 and section 8g as added by 2010 PA 5.

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.

10 (c) "Border crossing facility" means a business that is 1 or

1 more of the following as determined by the board of the Michigan
2 strategic fund:

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

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

11 (A) Customs brokers.

12 (B) Distribution centers.

13 (C) Truck supply and repair.

14 **(D) PACKING, SORTING, ASSEMBLING, OR MANUFACTURING OF GOODS.**

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) "Forest products processing facility" means 1 or more
19 facilities or operations that transform, package, sort, recycle, or
20 grade forest or paper products into goods that are used for
21 intermediate or final use or consumption or for the creation of
22 biomass or alternative fuels through the utilization of forest
23 products or forest residue, and surrounding property. Forest
24 products processing facility does not include an existing facility
25 or operation that is located in this state that relocates to a
26 renaissance zone for a forest products processing facility. Forest
27 products processing facility does not include a facility or

1 operation that engages primarily in retail sales.

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

5 (i) "Multimodal commerce" means the movement of products or
6 services via 2 or more of the following:

7 (i) Air.

8 (ii) Road.

9 (iii) Rail.

10 (iv) Water.

11 (j) "Next Michigan development corporation" means that term as
12 defined in section 3 of the next Michigan development act, **2010 PA**
13 **275, MCL 125.2953.**

14 (k) "Next Michigan development district" means that term as
15 defined in section 3 of the next Michigan development act, **2010 PA**
16 **275, MCL 125.2953.**

17 (l) "Next Michigan renaissance zone" means a renaissance zone
18 created under section 8h.

19 (m) "Person" means an individual, partnership, corporation,
20 association, limited liability company, governmental entity, or
21 other legal entity.

22 (n) "Qualified eligible next Michigan business" means an
23 eligible next Michigan business that has been certified in
24 accordance with section 8h.

25 (o) "Qualified local governmental unit" means either of the
26 following:

27 (i) A county.

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

4 (p) "Recovery zone" means a tool and die renaissance recovery
5 zone created in section 8d.

6 (q) "Renaissance zone" means a geographic area designated
7 under this act.

8 (r) "Renewable energy facility" means a facility that creates
9 energy, fuels, or chemicals directly from the wind, the sun, trees,
10 grasses, biosolids, algae, agricultural commodities, processed
11 products from agricultural commodities, or residues from
12 agricultural processes, wood or forest processes, food production
13 and processing, or the paper products industry. Renewable energy
14 facility also includes a facility that creates energy, fuels, or
15 chemicals from solid biomass, animal wastes, or landfill gases.
16 Renewable energy facility also includes a facility that focuses on
17 research, development, or manufacturing of systems or components of
18 systems used to create energy, fuel, or chemicals from the items
19 described in this subdivision. Renewable energy facility also
20 includes a facility that focuses on research, development, or
21 manufacturing of systems or components of systems that involve the
22 conversion of chemical energy for advanced battery technology.

23 (s) "Residential rental property" means that term as defined
24 in section 7ff of the general property tax act, 1893 PA 206, MCL
25 211.7ff.

26 (t) "Review board" means the renaissance zone review board
27 created in section 5.

1 (u) "Rural area" means an area that lies outside of the
2 boundaries of an urban area.

3 (v) "Urban area" means an urbanized area as determined by the
4 economics and statistics administration, United States bureau of
5 the census according to the 1990 census.

6 Sec. 8g. (1) The board of the Michigan strategic fund defined
7 in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL
8 125.2004, may designate up to 25 additional renaissance zones for
9 border crossing facilities within this state in qualified border
10 local governmental units if that city or township or combination of
11 cities or townships consents to the creation of a renaissance zone
12 for a border crossing facility within their boundaries. A
13 renaissance zone for a border crossing facility shall have a
14 duration of renaissance zone status for a period of 15 years.

15 (2) Each renaissance zone designated for a border crossing
16 facility under this section shall be 1 continuous distinct
17 geographic area.

18 (3) The board may revoke the designation of all or a portion
19 of a renaissance zone for a border crossing facility if the board
20 determines that the border crossing facility does 1 or more of the
21 following in a renaissance zone designated under this section:

22 (a) Fails to commence operation.

23 (b) Ceases operation.

24 (c) Fails to commence construction or renovation within 1 year
25 from the date the renaissance zone for the border crossing facility
26 is designated.

27 (4) The board shall consider all of the following when

1 designating a renaissance zone for a border crossing facility:

2 (a) The economic impact on local suppliers who supply raw
3 materials, goods, and services to the border crossing facility.

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

6 (c) The viability of the project.

7 (d) The economic impact on the community in which the border
8 crossing facility is located.

9 (5) The board shall require a development agreement between
10 the Michigan strategic fund and the border crossing facility.

11 (6) As used in this section:

12 (a) "Development agreement" means a written agreement between
13 the Michigan strategic fund and the border crossing facility that
14 includes, but is not limited to, all of the following:

15 (i) A requirement that the border crossing facility comply with
16 all state and local laws.

17 (ii) A requirement that the border crossing facility report
18 annually to the Michigan strategic fund on all of the following:

19 (A) The amount of capital investment made at the facility.

20 (B) The number of individuals employed at the facility at the
21 beginning and end of the reporting period as well as the number of
22 individuals transferred to the facility from another facility owned
23 by the border crossing facility.

24 (C) The percentage of raw materials purchased in this state.

25 (iii) Any other conditions or requirements reasonably required
26 by the Michigan strategic fund.

27 (b) "Qualified border local governmental unit" means 1 of the

1 following:

2 (i) A city with a population of more than 30,000 and less than
3 36,000 that contains an international border crossing.

4 (ii) A township that adjoins a city with a population of more
5 than 30,000 and less than 36,000 that contains an international
6 border crossing.

7 (iii) **A CITY WITH A POPULATION OF 700,000 OR MORE THAT CONTAINS**
8 **AN INTERNATIONAL BORDER CROSSING CONSTRUCTED AFTER JANUARY 1, 2010.**