HOUSE BILL NO. 5096


A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending sections 3, 4, 6, and 8a (MCL 125.2683, 125.2684, 125.2686, and 125.2688a), sections 3 and 8a as amended by 2010 PA 277, section 4 as amended by 2014 PA 27, and section 6 as amended by 2016 PA 118.

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 facilities or operations that transform, package, sort, or grade
livestock or livestock products, agricultural commodities, or plants or plant products, excluding forest products, into goods that are used for intermediate or final consumption, including goods for nonfood use, and surrounding property.

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

(c) "Board of the Michigan strategic fund" means the board of directors of the Michigan strategic fund.

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

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

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

(A) Customs brokers.

(B) Distribution centers.

(C) Truck supply and repair.

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

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

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

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

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

(v) Any other information required by the board.

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

(g) "Eligible next Michigan business" means any of the following:

(i) A business engaged in the shipment of tangible personal property via multimodal commerce.

(ii) A supply chain business providing a majority of its services to businesses engaged in the shipment of tangible personal property, including inventory, via multimodal commerce.

(iii) A manufacturing or assembly facility receiving a majority of its production components via multimodal commerce.

(iv) A manufacturing or assembly facility shipping a majority of products via multimodal commerce.

(v) A light manufacturing or assembly facility that packages, kits, labels, or customizes products and ships those products via multimodal commerce.

(h) "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.

(i) "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.

(j) "Michigan strategic fund" means the Michigan strategic fund created under the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

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

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

(n) "Next Michigan renaissance zone" means a renaissance zone created under section 8h.

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

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

(q) "Qualified local governmental unit" means either of
the following:

(i) A county.

(ii) A city, village, or township that contains an eligible
distressed area as defined in section 11 of the state housing

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

(s) "Renaissance zone" means a geographic area designated
under this act.

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

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

(v) "Review board" means the renaissance zone review board created in section 5.

(w) "Rural area" means an area that lies outside of the boundaries of an urban area.

(x) "Urban area" means an urbanized area as determined by the Economics and Statistics Administration, United States Bureau of the Census according to the 1990 census.

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

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

(b) The application includes a development plan.

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

(d) The renaissance zone does not contain more than 10 distinct geographic areas and, except as otherwise provided in this subdivision, the minimum size of a distinct geographic area is not less than 5 acres. A qualified local governmental unit or units may designate not more than 8 distinct geographic areas in each renaissance zone to have no minimum size requirement.
(e) The application includes the proposed duration of renaissance zone status, not to exceed 15 years, except as otherwise provided in this section.

(f) If the qualified local governmental unit has an elected county executive, the county executive's written approval of executive has approved the application in writing.

(g) If the qualified local governmental unit is a city, that city's mayor's written approval of mayor has approved the application in writing.

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

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

(4) Beginning December 1, 2006 through December 31, 2011, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a(1) or (3) may designate additional distinct geographic areas not to exceed a total of 10 distinct geographic areas upon application to and approval by the board of the Michigan strategic fund if the distinct geographic area is located in an eligible distressed area as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411, or is contiguous to an eligible distressed area, and if the additional distinct geographic area will increase capital investment or job creation. The duration of renaissance zone status for the additional distinct geographic
areas shall not exceed 15 years. As used in this subsection, "eligible distressed area" means that term as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(5) Beginning October 1, 2023, any remaining renaissance zones that have not been designated by September 30, 2023 that are eligible under section 8e, 8f, or 8g may be designated by the board of the Michigan strategic fund under section 8a(2). In designating a renaissance zone described in this subsection, the board of the Michigan strategic fund shall consider the same criteria that the board would consider when designating a renaissance zone under section 8e, 8f, or 8g, as applicable. The board of the Michigan strategic fund may revoke the designation of all or a portion of a renaissance zone described in this subsection for the same reasons that the board may revoke the designation of all or a portion of a renaissance zone under section 8e, 8f, or 8g, as applicable.

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

(7) Through December 31, 2002, Beginning October 1, 2023, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a(2) may, upon application to and approval by the board of the Michigan strategic fund, seek to extend the duration of renaissance zone status until 2017. Upon application, the board of the Michigan strategic fund
may extend the duration of renaissance zone status.

(8) Through December 31, 2011, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a(1) or (3) may, upon application to and approval by the board of the Michigan strategic fund, seek to extend the duration of renaissance zone status for 1 or more portions of the renaissance zone if that zone or portion of a zone is in existence as of March 15, 2008, if the extension will increase capital investment or job creation, and if the county in which the portion or portions of the renaissance zone are located consents to extend the duration of renaissance zone status. The board of the Michigan strategic fund may extend renaissance zone status for 1 or more portions of the renaissance zone under this subsection for a period of time not to exceed 15 years from the date of the application to the board of the Michigan strategic fund under this subsection. However, beginning on April 29, 2008, if the board of the Michigan strategic fund extends the duration of 1 or more portions of a renaissance zone under this subsection, the board of the Michigan strategic fund may revoke that extension if the board determines that increased capital investment or job creation will not begin within 1 year of the granting of the extension or otherwise violates the terms of the written development agreement between the owner of the real property and the board of the Michigan strategic fund. Only the qualified local governmental unit that is requesting the extension of time may submit the application. If the board of the Michigan strategic fund extends the duration of 1 or more portions of a renaissance zone, the board of the Michigan strategic fund shall enter into a written development agreement with the owner of all real property located
within the boundaries of the portions of the renaissance zone whose
duration has been extended. The written development agreement shall
must include, but is not limited to, all of the following:
(a) The duration of the extension.
(b) The conditions under which the extension is granted.
(c) The amount of capital investment.
(d) The number of jobs to be created.
(e) Any other conditions or requirements reasonably required
by the board of the Michigan strategic fund.

(9) If a qualified local governmental unit in which a
renaissance zone was designated under section 8 received approval
by the Michigan strategic fund to extend the duration of
renaissance zone status under subsection (7) for a period of 7
years and that renaissance zone is located in a county with a
population of more than 190,000 and less than 240,000 according to
the most recent federal decennial census, that qualified local
governmental unit may resubmit an application to the
Michigan strategic fund before June 30, 2014 to extend the duration
of renaissance zone status for an additional 8 years, not to exceed
15 years' total extension. The Michigan strategic fund may grant
the extension if the extension will increase capital
investment or job creation in this state and the owner and project
developer are in compliance with the written agreement described in
subsection (7).

Sec. 6. (1) The board shall review all recommendations
submitted by the review board and determine which applications meet
the criteria contained in section 7.
(2) The board shall do all of the following:
(a) Designate renaissance zones.
(b) Subject to subsection (3), approve or reject the duration of renaissance zone status.

(c) Subject to subsection (3), approve or reject the geographic boundaries and the total area of the renaissance zone as submitted in the application.

(3) The board shall not alter the geographic boundaries of the renaissance zone or the duration of renaissance zone status described in the application unless the each qualified local governmental unit or units and the each local governmental unit or units in which the renaissance zone is to be located consent by resolution to the alteration.

(4) The board shall not designate a renaissance zone under section 8 before November 1, 1996 or after December 31, 1996.

(5) Except as otherwise provided in this subsection, the designation of a renaissance zone under this act shall take effect on January 1 in the year following designation. However, for purposes of the taxes exempted under section 9(2), the designation of a renaissance zone under this act shall take effect on December 31 in the year of designation. For designations made pursuant to section 8a(2), the board of the Michigan strategic fund may choose a beginning date, provided that the which date must be January 1 of a year and, for those designations approved on or before September 30, 2022, must not be more than 5 years after the date of designation. If the board of the Michigan strategic fund rescinds a designation made under section 8a(2) on or after October 1, 2022, before choosing a beginning date, the renaissance zone may be redesignated under section 8a(2). The board of the Michigan strategic fund may provide that the January 1 beginning date be determined under a written agreement between the
board of the Michigan strategic fund and the qualified local
governmental unit in which the renaissance zone is to be located.
However, for purposes of the taxes exempted under section 9(2), the
designation of a renaissance zone under section 8a(2) shall take
takes effect on December 31 in the year immediately preceding the
year in which the designation under section 8a(2) takes effect.

(6) The board shall not designate a renaissance zone under
section 8a after December 31, 2002.

(7) Through December 31, 2002, a qualified local governmental
unit in which a renaissance zone was designated under section 8 or
8a may modify the boundaries of that renaissance zone to include
contiguous parcels of property as determined by the qualified local
governmental unit and approval by the review board. The additional
contiguous parcels of property included in a renaissance zone under
this subsection do not constitute an additional distinct geographic
area under section 4(1)(d). If the boundaries of the renaissance
zone are modified as provided in this subsection, the additional
contiguous parcels of property shall become becomes part of the
original renaissance zone on the same terms and conditions as the
original designation of that renaissance zone.

(8) Notwithstanding any other provisions of this act, before
July 1, 2004, a qualified local governmental unit in which a
renaissance zone was designated under section 8a(1) as a
renaissance zone located in a rural area may modify the boundaries
of that renaissance zone to include a contiguous parcel of property
as determined by the qualified local governmental unit. The
contiguous parcel of property shall only include property that is
less than .5 acres in size and that the qualified local
governmental unit previously sought to have included in the zone by
submitting an application in February 2002 that was not acted upon by the review board. The additional contiguous parcel of property included in a renaissance zone under this subsection does not constitute an additional distinct geographic area under section 4(1)(d). If the boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

(9) A business that is located and conducts business activity within a renaissance zone designated under this act, except as designated under section 8a(2), shall not make a payment in lieu of taxes to any taxing jurisdiction within the qualified local governmental unit in which the renaissance zone is located.

(10) Notwithstanding any other provisions of this act, before July 1, 2006, a qualified local governmental unit in which a renaissance zone of less than 50 contiguous acres but more than 20 contiguous acres was designated under section 8 or 8a as a renaissance zone in a city located in a county with a population of more than 160,000 and less than 170,000 may modify the boundaries of that renaissance zone to include a contiguous parcel of property as determined by the qualified local governmental unit. The contiguous parcel of property shall only include property that is less than 12 acres in size. The additional contiguous parcel of property included in a renaissance zone under this subsection does not constitute an additional distinct geographic area under section 4(1)(d). If the boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcel of property shall become part of the original renaissance zone.
on the same terms and conditions as the rest of the property in
that renaissance zone.

(11) Notwithstanding any other provisions of this act, before
July 1, 2006, a qualified local governmental unit in which a
renaissance zone of more than 500 acres was designated under
section 8 or 8a as a renaissance zone in a county with a population
of more than 61,000 and less than 64,000 may modify the boundaries
of that renaissance zone to include a contiguous parcel of property
as determined by the qualified local governmental unit. The
contiguous parcel of property shall only include property that
is less than 12 acres in size. The additional contiguous parcel of
property included in a renaissance zone under this subsection does
not constitute an additional distinct geographic area under section
4(1)(d). If the boundaries of the renaissance zone are modified as
provided in this subsection, the additional contiguous parcel of
property shall become part of the original renaissance zone
on the same terms and conditions as the rest of the property in
that renaissance zone.

(12) Notwithstanding any other provisions of this act, before
July 1, 2006, a qualified local governmental unit in which a
renaissance zone of more than 137 acres was designated under
section 8 or 8a as a renaissance zone in a county with a population
of more than 61,000 and less than 63,000 may modify the boundaries
of that renaissance zone to include a parcel of property that is
separated from the existing renaissance zone by a roadway as
determined by the qualified local governmental unit. The parcel of
property shall only include property that is less than 67
acres in size. The additional contiguous parcel of property
included in a renaissance zone under this subsection does not
constitute an additional distinct geographic area under section 14(1)(d). If the boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcel of property shall become part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

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

(2) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 27 additional renaissance and any renaissance zones that are eligible under section 4(5) within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a renaissance zone within their boundaries. The board of the Michigan strategic fund may designate not more than 1 of the 27 additional renaissance zones described in this subsection as an alternative energy zone. An alternative energy zone shall promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy systems, and alternative
energy vehicles, as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827. An alternative energy zone shall have a duration of renaissance zone status for a period not to exceed 20 years as determined by the board of the Michigan strategic fund. The board of the Michigan strategic fund may designate not more than 8 of the additional 27 renaissance zones described in this subsection as a redevelopment renaissance zone. A redevelopment renaissance zone shall promote the redevelopment of existing industrial facilities or the development of property for industrial purposes. The board of the Michigan strategic fund may designate not more than 1 of the 27 additional renaissance zones described in this subsection as a pharmaceutical recovery renaissance zone. A pharmaceutical recovery renaissance zone shall promote the development or redevelopment of existing underutilized facilities currently occupied or formerly occupied by a pharmaceutical company. Before designating a renaissance zone under this subsection, the board of the Michigan strategic fund may enter into a development agreement with the city, township, or village in which the renaissance zone will be located and the owner or developer of the facility or property located in the renaissance zone. The development agreement for a redevelopment renaissance zone described only in subsection (6)(b)(vi) or (vii) may provide for the payment of 1 or more of the taxes described in section 9. Not fewer than 3 of the 10 additional renaissance zones created under this subsection on or after December 1, 2010 shall be located in rural areas. Until the maximum number of qualified eligible next Michigan businesses are certified under section 8h(10), the board shall not designate an additional renaissance zone under this subsection if that
additional renaissance zone would include a business that is an eligible next Michigan business that is eligible to be certified as a qualified eligible next Michigan business under this act.

(3) In addition to the not more than 9 additional renaissance zones described in subsection (1), the board may designate additional renaissance zones within this state in 1 or more qualified local governmental units if that qualified local governmental unit or units contain a military installation that was operated by the Department of Department of Defense and was closed in 1977 or after 1990.

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

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

(6) As used in this section:

(a) "Pharmaceutical recovery renaissance zone" means a renaissance zone that includes a geographic area that is located in 1 or both of the following:

(i) In a city with a population of more than 70,000 and less
than 85,000 and in a county with a population of more than 235,000 and less than 250,000.

(ii) In a city with a population of more than 42,000 and less than 55,000 and in a county with a population of more than 235,000 and less than 250,000.

(b) "Redevelopment renaissance zone" means a renaissance zone that meets 1 of the following:

(i) All of the following:
   (A) Is located in a city with a population of more than 7,500 and less than 8,500 and is located in a county with a population of more than 60,000 and less than 70,000.
   (B) Contains only all or a portion of an industrial site of 200 or more acres.

(ii) All of the following:
   (A) Is located in a city with a population of more than 13,000 and less than 14,000 and is located in a county with a population of more than 1,000,000 and less than 1,300,000.
   (B) Contains only all or a portion of an industrial site of 300 or more contiguous acres.

(iii) All of the following:
   (A) Is located in a township with a population of more than 5,500 and is located in a county with a population of less than 24,000.
   (B) Contains only all or a portion of an industrial site of more than 850 acres and has railroad access.

(iv) All of the following:
   (A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.
(B) Contains only all or a portion of an industrial site of more than 475 acres.

(v) All of the following:
(A) Is located in a city with a population of more than 21,000 and less than 26,000 and is located in a county with a population of more than 573,000 and less than 625,000.
(B) Contains only all or a portion of an industrial site of less than 45 acres in size.

(vi) All of the following:
(A) Is located in a city with a population of more than 190,000 and less than 250,000 and is located in a county with a population of more than 573,000 and less than 625,000.
(B) Contains only all or a portion of an industrial site of more than 14 acres and less than 16 acres in size.
(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2007.

(vii) All of the following:
(A) Is located in a city with a population of more than 35,500 and less than 36,800 and is located in a county with a population of more than 157,000 and less than 162,000.
(B) Contains only all or a portion of an industrial site comprised of 1 or more adjacent parcels totaling 5 or more acres.
(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2007.

(viii) All of the following:
(A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.
(B) Contains only all or a portion of an industrial site
composed of 1 or more adjacent parcels totaling 100 or more acres.
(C) Is approved by the board of the Michigan strategic fund on
or before April 1, 2008.