

SENATE BILL No. 885

November 7, 2007, Introduced by Senators KAHN, JELINEK, VAN WOERKOM, CROUSEY,
GILBERT, PAPPAGEORGE, McMANUS, BROWN, ALLEN, BIRKHOZ, GARCIA, STAMAS
and BARCIA and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1996 PA 376, entitled
"Michigan renaissance zone act,"
by amending sections 8e, 9, and 10 (MCL 125.2688e, 125.2689, and
125.2690), section 8e as added by 2006 PA 270 and section 10 as
amended by 2005 PA 164.

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 COMMODITIES OR RESIDUES, PLANTS,**
6 **OR PLANT PRODUCTS AS ITS PRIMARY RAW MATERIAL SOURCE,** may designate
7 not more than 10 additional renaissance zones for renewable energy
8 facilities within this state in 1 or more cities, villages, or

1 townships if that city, village, or township or combination of
2 cities, villages, or townships consents to the creation of a
3 renaissance zone for a renewable energy facility within their
4 boundaries.

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

8 (3) The board may revoke the designation of all or a portion
9 of a renaissance zone for a renewable energy facility if the board
10 determines that the renewable energy facility does 1 or more of the
11 following in a renaissance zone designated 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 renewable energy
16 facility is designated.

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

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

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

23 (c) The viability of the project.

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

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

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

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

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

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

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

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

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

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

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

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

4 Sec. 9. (1) Except as otherwise provided in section 10, an
5 individual who is a resident of a renaissance zone or a business
6 that is located and conducts business activity within a renaissance
7 zone shall receive the exemption, deduction, or credit as provided
8 in the following for the period provided under section 6(2)(b):

9 (a) Section 39b of the single business tax act, ~~Act No. 228 of~~
10 ~~the Public Acts of 1975, being section 208.39b of the Michigan~~
11 ~~Compiled Laws 1975 PA 228, MCL 208.39B, OR SECTION 433 OF THE~~
12 **MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1433.**

13 (b) Section 31 of the income tax act of 1967, ~~Act No. 281 of~~
14 ~~the Public Acts of 1967, being section 206.31 of the Michigan~~
15 ~~Compiled Laws 1967 PA 281, MCL 206.31.~~

16 (c) Section 35 of chapter 2 of the city income tax act, ~~Act~~
17 ~~No. 284 of the Public Acts of 1964, being section 141.635 of the~~
18 ~~Michigan Compiled Laws 1964 PA 284, MCL 141.635.~~

19 (d) Section 5 of the city utility users tax act, ~~Act No. 100~~
20 ~~of the Public Acts of 1990, being section 141.1155 of the Michigan~~
21 ~~Compiled Laws 1990 PA 100, MCL 141.1155.~~

22 (2) Except as otherwise provided in section 10, property
23 located in a renaissance zone is exempt from the collection of
24 taxes under all of the following:

25 (a) Section 7ff of the general property tax act, ~~Act No. 206~~
26 ~~of the Public Acts of 1893, being section 211.7ff of the Michigan~~
27 ~~Compiled Laws 1893 PA 206, MCL 211.7FF.~~

1 (b) Section 11 of Act No. ~~198~~ of the Public Acts of 1974,
2 being section ~~207.561~~ of the Michigan Compiled Laws **1974 PA 198,**
3 **MCL 207.561.**

4 (c) Section 12 of the commercial redevelopment act, Act No.
5 ~~255~~ of the Public Acts of 1978, being section ~~207.662~~ of the
6 Michigan Compiled Laws **1978 PA 255, MCL 207.662.**

7 (d) Section 21c of the enterprise zone act, Act No. ~~224~~ of the
8 Public Acts of 1985, being section ~~125.2121c~~ of the Michigan
9 Compiled Laws **1985 PA 224, MCL 125.2121C.**

10 (e) Section 1 of Act No. ~~189~~ of the Public Acts of 1953, being
11 section ~~211.181~~ of the Michigan Compiled Laws **1953 PA 189, MCL**
12 **211.181.**

13 (f) Section 12 of the technology park development act, Act No.
14 ~~385~~ of the Public Acts of 1984, being section ~~207.712~~ of the
15 Michigan Compiled Laws **1984 PA 385, MCL 207.712.**

16 (g) Section 51105 of part ~~511~~ (commercial forests) of the
17 natural resources and environmental protection act, Act No. ~~451~~ of
18 the Public Acts of 1994, being section ~~324.51105~~ of the Michigan
19 Compiled Laws **1994 PA 451, MCL 324.51105.**

20 (h) Section 9 of the neighborhood enterprise zone act, Act No.
21 ~~147~~ of the Public Acts of 1992, being section ~~207.779~~ of the
22 Michigan Compiled Laws **1992 PA 147, MCL 207.779.**

23 (3) During the last 3 years that the taxpayer is eligible for
24 an exemption, deduction, or credit described in subsections (1) and
25 (2), the exemption, deduction, or credit shall be reduced by the
26 following percentages:

27 (a) For the tax year that is 2 years before the final year of

1 designation as a renaissance zone, the percentage shall be 25%.

2 (b) For the tax year immediately preceding the final year of
3 designation as a renaissance zone, the percentage shall be 50%.

4 (c) For the tax year that is the final year of designation as
5 a renaissance zone, the percentage shall be 75%.

6 Sec. 10. (1) An individual who is a resident of a renaissance
7 zone or a business that is located and conducts business activity
8 within a renaissance zone or a person that owns property located in
9 a renaissance zone is not eligible for the exemption, deduction, or
10 credit listed in section 9(1) or (2) for that taxable year if 1 or
11 more of the following apply:

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

14 (i) The single business tax act, 1975 PA 228, MCL 208.1 to
15 208.145, **OR THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1101**
16 **TO 208.1601.**

17 (ii) The income tax act of 1967, 1967 PA 281, MCL 206.1 to
18 206.532.

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

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

22 (v) The enterprise zone act, 1985 PA 224, MCL 125.2101 to
23 125.2123.

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

25 (vii) The technology park development act, 1984 PA 385, MCL
26 207.701 to 207.718.

27 (viii) Part 511 of the natural resources and environmental

1 protection act, 1994 PA 451, MCL 324.51101 to 324.51120.

2 (ix) The neighborhood enterprise zone act, 1992 PA 147, MCL
3 207.771 to 207.786.

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

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

10 (i) The city income tax act, 1964 PA 284, MCL 141.501 to
11 141.787.

12 (ii) Taxes, fees, and special assessments collected under the
13 general property tax act, 1893 PA 206, MCL 211.1 to ~~211.157~~
14 **211.155**.

15 (c) For residential rental property in a renaissance zone, the
16 residential rental property is not in substantial compliance with
17 all applicable state and local zoning, building, and housing laws,
18 ordinances, or codes and, except as otherwise provided in this
19 subdivision, the residential rental property owner has not filed an
20 affidavit before December 31 in the immediately preceding tax year
21 with the local tax collecting unit in which the residential rental
22 property is located as required under section 7ff of the general
23 property tax act, 1893 PA 206, MCL 211.7ff. Beginning December 31,
24 2004, a residential rental property owner is not required to file
25 an affidavit if the qualified local governmental unit in which the
26 residential rental property is located determines that the
27 residential rental property is in substantial compliance with all

1 applicable state and local zoning, building, and housing laws,
2 ordinances, and codes on December 31 of the immediately preceding
3 tax year.

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

10 (3) A casino located and conducting business activity within a
11 renaissance zone is not eligible for the exemption, deduction, or
12 credit listed in section 9(1) or (2). Real property in a
13 renaissance zone on which a casino is operated, personal property
14 of a casino located in a renaissance zone, and all property
15 associated or affiliated with the operation of a casino is not
16 eligible for the exemption, deduction, or credit listed in section
17 9(1) or (2). As used in this subsection, "casino" means a casino or
18 a parking lot, hotel, motel, or retail store owned or operated by a
19 casino, an affiliate, or an affiliated company, regulated by this
20 state pursuant to the Michigan gaming control and revenue act, ~~the~~
21 ~~Initiated Law of 1996~~ **1996 IL 1**, MCL 432.201 to 432.226.

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

1 Enacting section 1. This amendatory act does not take effect
2 unless House Bill No. 5100 of the 94th Legislature is enacted into
3 law.