SENATE BILL NO. 632

October 30, 2025, Introduced by Senators ALBERT, BELLINO, RUNESTAD, LINDSEY and VICTORY and referred to Committee on Government Operations.

A bill to amend 1996 PA 376, entitled

"Michigan renaissance zone act,"

by amending sections 3, 4, 5, 6, 8c, 8d, 8e, 8f, 8g, 8h, 9, and 10 (MCL 125.2683, 125.2684, 125.2685, 125.2686, 125.2688c, 125.2688d, 125.2688e, 125.2688f, 125.2688g, 125.2688h, 125.2689, and 125.2690), sections 3, 4, and 6 as amended by 2024 PA 40, section 5 as amended by 1999 PA 98, sections 8c and 8e as amended by 2018 PA 474, section 8d as amended by 2010 PA 368, section 8f as added by 2006 PA 305, section 8g as added by 2010 PA 5, section 8h as added and section 10 as amended by 2010 PA 277, and section 9 as amended by 2017 PA 50, and by adding section 9a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 3. As used in this act:

(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 **either of the following, as applicable:**

(*i*) Until the effective date of the economic development fair competition and free enterprise act, the board of directors of the Michigan strategic fund.

(*ii*) Beginning on the effective date of the economic development fair competition and free enterprise act, the bureau.

(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) "Bureau" means the bureau of fair competition and free enterprise created in section 7 of the economic development fair competition and free enterprise act.

(f) ~~(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.

(g) ~~(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.

(h) ~~(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.

(i) ~~(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.

(j) ~~(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.

(k) ~~(j)~~ "Michigan strategic fund" means **either of the following, as applicable:**

(*i*) Until the effective date of the economic development fair competition and free enterprise act, the Michigan strategic fund created under ~~the Michigan strategic fund act,~~ **former** 1984 PA 270.

~~, MCL 125.2001 to 125.2094.~~ ***(ii)* Beginning on the effective date of the economic development fair competition and free enterprise act, the bureau. If this subparagraph applies, a reference to the president of the Michigan strategic fund means the director of the bureau.**

(*l*) ~~(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.

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

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

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

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

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

(r) ~~(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 development authority act of 1966, 1966 PA 346, MCL 125.1411.

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

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

(u) ~~(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~~ **all of the following:**

(*i*) A facility that creates energy, fuels, or chemicals from solid biomass, animal wastes, or landfill gases. ~~Renewable energy facility also includes a~~

(*ii*) 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~~

(*iii*) 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.

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

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

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

(y) ~~(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 has approved the application in writing.

(g) If the qualified local governmental unit is a city, that city's 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 on application to and approval by the board of the Michigan strategic fund if the distinct geographic area is located in an eligible distressed area 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 ~~must~~ **may** 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 on application to and approval by the board.

(7) ~~Beginning~~ **Subject to section 9a, 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, on application to and approval by the board of the Michigan strategic fund, seek to extend the duration of renaissance zone status. On 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, on 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 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 (8) 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 reapply 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 (8).

(10) ~~Notwithstanding any other provisions of this act, a~~ **A** qualified local governmental unit in which a renaissance zone was designated under subsection (4), and that is located in a county with a population of more than 1,700,000 and less than 1,900,000 according to the most recent federal decennial census, may apply to the Michigan strategic fund **before the effective date of the amendatory act that added section 9a** to extend the duration of renaissance zone status for an additional 15 years, not to exceed 30 years' total duration of renaissance zone status. The Michigan strategic fund shall not grant an application under this subsection unless each city, village, or township within which the renaissance zone is located provides a resolution from its governing body supporting the application. The Michigan strategic fund may grant the extension retroactively as follows:

(a) Except as provided in subdivisions (b) and (c), to be effective January 1, 2023.

(b) For purposes of the taxes exempted under section 9(1)(d) and (2) and all other benefits under this act, to be effective not earlier than the date of any levy that occurred before the date an amendment has been approved by the Michigan strategic fund.

(c) For purposes of the taxes exempted under section 9(1)(c), to be effective for a tax year commencing not earlier than January 1 of the year in which an amendment has been approved by the Michigan strategic fund.

Sec. 5. (1) The renaissance zone review board is created. ~~The~~ **Before the effective date of the amendatory act that added section 9a, the** review board ~~shall consist~~ **consists** of the board of the Michigan strategic fund. ~~described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004.~~**Beginning on the effective date of the amendatory act that added section 9a, the bureau shall serve as the review board.**

(2) The review board shall review all applications submitted by qualified local governmental units and make recommendations to the board for approval based on the criteria contained in section 7.

(3) The review board and the board shall not consider an application if the application was submitted after September 30, 1996 for designations under section 8.

(4) Members of the board and the review board shall serve without compensation for their membership on the board and the review board, but members of the board and the review board may receive reasonable reimbursement for necessary travel and expenses.

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) **and section 9a**, 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 each qualified local governmental unit and each local governmental unit 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 takes 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 takes effect on December 31 in the year of designation. For designations made under section 8a(2), the board of the Michigan strategic fund may choose a beginning date, which date must be January 1 of a year and, for those designations approved on or before September 30, 2023, 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, 2023, 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) 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 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~~ **must** 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 on 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 becomes 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 must 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 becomes 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 must 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 becomes 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 must 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 4(1)(d). If the

boundaries of the renaissance zone are modified as provided in this subsection, the additional contiguous parcel of property becomes part of the original renaissance zone on the same terms and conditions as the rest of the property in that renaissance zone.

~~(13) The board of the Michigan strategic fund may delegate any actions under the act to authorized employees, officers, and agents of the fund, which may include employees of the MEDC. As used in this subsection, "MEDC" means that term as defined in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004.~~

Sec. 8c. (1) The board, ~~upon~~ **on** recommendation of the board of the Michigan strategic fund ~~defined in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004,~~ and ~~upon recommendation of~~ the commission of agriculture **and rural development**, may designate not more than 30 additional renaissance zones for agricultural processing facilities 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 for an agricultural processing facility within their boundaries.

(2) Each renaissance zone designated for an agricultural processing facility under this section ~~shall~~ **must** be 1 continuous distinct geographic area.

(3) The board may revoke the designation of all or a portion of a renaissance zone for an agricultural processing facility if the board determines that the agricultural processing facility does 1 or more of the following in a renaissance zone designated under this section:

(a) Fails to commence operation.

(b) Ceases operation.

(c) Fails to commence construction or renovation within 1 year from the date the renaissance zone for the agricultural processing facility is designated.

(4) A facility previously approved as a renaissance zone for a renewable energy facility on or before December 31, 2009 ~~shall become~~ **must be** renewed as a renaissance zone designated for an agricultural processing facility as of the date the renewable energy renaissance zone was revoked and for the remaining term of the original renewable energy renaissance zone as designated by the board, subject to eligibility under this act and compliance with a development agreement, if all of the following apply:

(a) The facility utilized the same wastewater discharge renewable feedstock to produce an approved agricultural product continuously from the time the renewable energy renaissance zone designation was revoked to the application for renewal as an agricultural processing facility.

(b) The facility maintained at least 10 jobs continuously from the time the renewable energy renaissance zone designation was revoked to the application for renewal as an agricultural processing facility.

(c) The facility certifies that it acted in good faith when changing its product and was at all times eligible for renaissance zone designation under section 8e before it was revoked.

(d) The facility enters into a development agreement with the Michigan strategic fund.

(e) The development agreement provides that the facility shall not attempt to recover taxes or fees collected by the taxing jurisdiction of that facility during the time the renaissance zone designation was revoked.

(5) Beginning on July 10, 2006, the board shall consider all of the following when designating a renaissance zone for an agricultural processing facility:

(a) The economic impact on local suppliers who supply raw materials, goods, and services to the agricultural processing facility.

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

(c) The viability of the project.

(d) The economic impact on the community in which the agricultural processing facility is located.

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

(6) Beginning on July 10, 2006, the board shall do all of the following:

(a) Require a development agreement between the Michigan strategic fund and the agricultural processing facility.

(b) Designate not less than 3 of the renaissance zones for agricultural processing facilities that have an initial capital investment of less than $7,000,000.00.

(c) Designate not less than 5 of the renaissance zones for agricultural processing facilities in rural areas.

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

(a) A requirement that the agricultural processing facility comply with all state and local laws.

(b) A requirement that the agricultural processing facility report annually to the Michigan strategic fund on all of the following:

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

(*ii*) The number of individuals employed at the facility at the beginning and end of the reporting period as well as the number of individuals transferred to the facility from another facility owned by the agricultural processing facility.

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

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

(8) The renewal of a renaissance zone for an agricultural facility under subsection (4) ~~shall~~ **is** not ~~be~~ considered a designation under subsection (1).

(9) ~~Upon~~ **On** agreement between the board and the city, village, or township in which the facility described in subsection (4) is located, the term of the renaissance zone status for that agricultural processing facility may be extended for an additional 2 years as provided in the agreement.

Sec. 8d. (1) 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 35 tool and die renaissance recovery zones 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 recovery zone within their boundaries. A recovery zone ~~shall have~~ **has** a duration of renaissance zone status for a period of not less than 5 years and not more than 15 years as determined by the board of the Michigan strategic fund. If the Michigan strategic fund determines that the duration of renaissance zone status for a recovery zone is less than 15 years, then the Michigan strategic fund, with the consent of the city, village, or township or combination of cities, villages, or townships in which the qualified tool and die business is located, may extend the duration of renaissance zone status for the recovery zone for 1 or more periods that when combined do not exceed 15 years. Not less than 1 of the recovery zones ~~shall~~ **must** consist of 1 or more qualified tool and die businesses that have a North American ~~industrial classification system~~ **Industry Classification System** (NAICS) of 332997.

(2) The board of the Michigan strategic fund may designate a recovery zone within this state if the recovery zone consists of not less than 4 and not more than 20 qualified tool and die businesses at the time of designation. If the board of the Michigan strategic fund designated 1 or more recovery zones that contain less than 20 qualified tool and die businesses before December 19, 2005, the board of the Michigan strategic fund may add additional qualified tool and die businesses to that recovery zone subject to the limitations ~~contained~~ in this subsection. A recovery zone ~~shall~~ **must** consist of only qualified tool and die business property. The board of the Michigan strategic fund may combine existing recovery zones that are comprised solely of tool and die businesses that are parties to the same qualified collaborative agreement. ~~Where~~ **If** 2 or more recovery zones have been combined, the board of the Michigan strategic fund may continue to designate additional recovery zones, ~~provided that no~~ **if not** more than 35 tool and die recovery zones exist at 1 time.

(3) The board of the Michigan strategic fund may revoke the designation of all or a portion of a recovery zone with respect to

1 or more qualified tool and die businesses if those qualified tool and die businesses fail or cease to participate in or comply with a qualified collaborative agreement. A qualified tool and die business may enter into another qualified collaborative agreement once it is designated part of a recovery zone.

(4) One or more qualified tool and die businesses subject to a qualified collaborative agreement may merge into another group of qualified tool and die businesses subject to a different qualified collaborative agreement ~~upon~~ **on** application to and approval by the Michigan strategic fund.

(5) A qualified tool and die business in a recovery zone may have a different period of renaissance zone status than other qualified tool and die businesses in the same recovery zone.

(6) The board of the Michigan strategic fund may modify an existing recovery zone to add 1 or more qualified tool and die businesses with the consent of all other qualified tool and die businesses that are participating in the recovery zone.

(7) The board of the Michigan strategic fund may modify an existing recovery zone to add additional property under the same terms and conditions as the existing recovery zone if all of the following are met:

(a) The additional real property is contiguous to existing qualified tool and die business property and will become qualified tool and die business property once it is brought into operation as determined by the board of the Michigan strategic fund.

(b) The city, village, or township in which the qualified tool and die business is located consents to the modification.

(8) Beginning on January 13, 2009, a recovery zone may include a qualified tool and die business that has 75 or more full-time

employees if that qualified tool and die business has entered into a written agreement with the board of the Michigan strategic fund and the city, village, or township, or a combination of cities, villages, or townships, in which the qualified tool and die business is located.

(9) As used in this section:

(a) "Qualified collaborative agreement" means an agreement that demonstrates synergistic opportunities, including, but not limited to, all of the following:

(i) ~~(i)~~ Sales and marketing efforts.

(ii) ~~(ii)~~ Development of standardized processes.

(iii) ~~(iii)~~ Development of tooling standards.

(iv) ~~(iv)~~ Standardized project management methods.

(v) ~~(v)~~ Improved ability for specialized or small niche shops to develop expertise and compete successfully on larger programs.

(b) "Qualified tool and die business" means a business entity that meets all of the following:

(*i*) **Meets either of the following requirements:**

(A) Has a North American ~~industrial classification system~~ **Industry Classification System** (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515. ~~; or has~~

(B) Has a North American ~~industrial classification system~~ **Industry Classification System** (NAICS) of 337215 and operates a facility within an existing renaissance zone, which facility is adjacent to real property not located in a renaissance zone and is located within 1/4 mile of a Michigan technical education center.

(*ii*) Has entered into a qualified collaboration agreement as approved by the Michigan strategic fund consisting of not fewer than 4 or more than 20 other business entities at the time of designation that have a North American ~~industrial classification system~~ **Industry Classification System** (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515.

(*iii*) Except as otherwise provided by the board of the Michigan strategic fund, has fewer than 75 full-time employees.

(c) "Qualified tool and die business property" means 1 or more of the following:

(*i*) Property owned by 1 or more qualified tool and die businesses and used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that own the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation.

(*ii*) Property leased by 1 or more qualified tool and die business for which the qualified tool and die business is liable for ad valorem property taxes and ~~which~~ **that** is used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that lease the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation. The qualified tool and die business shall furnish proof of its ad valorem property tax liability to the department of treasury.

Sec. 8e. (1) The board, ~~upon~~ **on** recommendation of the board of the Michigan strategic fund ~~defined in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004,~~ and ~~upon~~ **on** recommendation of the commission of agriculture **and rural development** if the renewable energy facility uses agricultural crops or residues, or processed products from agricultural crops as its primary raw material source, may designate not more than 15 additional renaissance zones for renewable energy facilities 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 for a renewable energy facility within their boundaries. Not fewer than 5 of the renaissance zones for renewable energy facilities ~~shall~~ **must** be designated for renewable energy facilities that focus primarily on the production of cellulosic biofuels.

(2) Each renaissance zone designated for a renewable energy facility under this section ~~shall~~ **must** be 1 continuous distinct geographic area.

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

(a) Fails to commence operation.

(b) Ceases operation.

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

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

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

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

(c) The viability of the project.

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

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

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

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

(6) Until the maximum number of additional renaissance zones for renewable energy facilities described in subsection (1) is met, if the board designates a renaissance zone under this section; section 8c, except for a renaissance zone designated for an agricultural processing facility under section 8c(4); or section 8f for a facility that is a forest products processing facility or an agricultural processing facility and that also meets the definition of a renewable energy facility, then the board shall only designate that renaissance zone as a renaissance zone for a renewable energy facility under this section.

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

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

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

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

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

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

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

Sec. 8f. (1) The board, ~~upon~~ **on** recommendation of the board of the Michigan strategic fund, ~~defined in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004,~~ may designate not more than 10 additional renaissance zones for forest products processing facilities 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 for a forest products processing facility within their boundaries. The board shall designate not more than 5 renaissance zones for a forest products processing facility each year until the maximum number of renaissance zones for a forest products processing facility is met.

(2) Each renaissance zone designated for a forest products processing facility under this section ~~shall~~ **must** be 1 continuous distinct geographic area.

(3) The board may revoke the designation of all or a portion of a renaissance zone for a forest products processing facility if the board determines that the forest products processing facility

does 1 or more of the following in a renaissance zone designated under this section:

(a) Fails to commence operation.

(b) Ceases operation.

(c) Fails to commence construction or renovation within 1 year from the date the renaissance zone for the forest products processing facility is designated.

(4) Beginning ~~on the effective date of the amendatory act that added this subsection,~~ **July 20, 2006,** the board shall consider all of the following when designating a renaissance zone for a forest products processing facility:

(a) The economic impact on local suppliers who supply raw materials, goods, and services to the forest products processing facility.

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

(c) The viability of the project.

(d) The economic impact on the community in which the forest products processing facility is located.

(e) Whether the forest products processing facility can be located in an existing renaissance zone designated under section 8 or 8a.

(5) Beginning ~~on the effective date of the amendatory act that added this subsection,~~ **July 20, 2006,** the board shall require a development agreement between the Michigan strategic fund and the forest products processing facility.

(6) As used in this section, "development agreement" means a written agreement between the Michigan strategic fund and the forest products processing facility that includes, but is not

limited to, all of the following:

(a) A requirement that the forest products processing facility comply with all state and local laws.

(b) A requirement that the forest products processing facility report annually to the Michigan strategic fund on all of the following:

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

(*ii*) The number of individuals employed at the facility at the beginning and end of the reporting period as well as the number of individuals transferred to the facility from another facility owned by the forest products processing facility.

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

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

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

(2) Each renaissance zone designated for a border crossing facility under this section ~~shall~~ **must** be 1 continuous distinct geographic area.

(3) The board may revoke the designation of all or a portion of a renaissance zone for a border crossing facility if the board determines that the border crossing facility does 1 or more of the

following in a renaissance zone designated under this section:

(a) Fails to commence operation.

(b) Ceases operation.

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

(4) The board shall consider all of the following when designating a renaissance zone for a border crossing facility:

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

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

(c) The viability of the project.

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

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

(6) As used in this section:

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

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

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

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

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

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

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

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

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

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

Sec. 8h. (1) ~~The~~ **Until the effective date of the amendatory act that added section 9a, the** board of the Michigan strategic fund, ~~described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, upon~~ **on** the application of a next Michigan development corporation, may designate next Michigan renaissance zones for eligible next Michigan businesses within the boundaries of a next Michigan development district. ~~The number of next Michigan renaissance zones to be designated for~~ **For** a next Michigan development district that does not include an eligible urban entity, ~~as defined in the next Michigan development act shall~~ **the board of the Michigan strategic fund shall designate a number of next Michigan renaissance zones** equal **to** the cumulative number of initial or subsequent local governmental unit parties to the next Michigan development corporation interlocal agreement, plus 1 additional next Michigan renaissance zone for each county party to the interlocal agreement, ~~but shall not exceed~~ **except that the board of the Michigan strategic fund shall not designate more than** 12 **next Michigan renaissance zones** for each next Michigan development district. ~~The number of next Michigan renaissance zones to be designated for~~ **For** a next Michigan development district that includes an eligible urban entity, ~~as defined in the next Michigan development act shall not exceed~~ **the board of the Michigan strategic fund shall not designate more than** 12 **next Michigan renaissance zones**, as determined by the president of the Michigan strategic fund. The number ~~shall~~ **of next Michigan renaissance zones must** not be reduced ~~on account~~ **because** of a reduction in the number of local ~~government~~ **governmental** unit parties to the interlocal agreement from time to time. The next Michigan development corporation shall ~~make recommendations~~ **recommend** to the board of the Michigan strategic fund ~~as to~~ which areas ~~shall be designated~~ **to designate** as next Michigan renaissance zones for eligible next Michigan businesses under this act. The aggregate territory of all next Michigan renaissance zones designated for a next Michigan development corporation ~~shall~~ **may** not exceed the lesser of 200 acres times the number of next Michigan renaissance zones designated for a next Michigan development corporation or 1,675 acres. A next Michigan renaissance zone ~~shall have~~ **has** a duration of renaissance zone status for a period of not less than 5 years and not more than 10 years, as determined by the board of the Michigan strategic fund. Except as otherwise provided in this act, if the board of the Michigan strategic fund determines that the duration of renaissance zone status for a next Michigan renaissance zone is less than 10 years, then the board of the Michigan strategic fund, with the consent of the next Michigan development corporation and with the consent of the city, village, or township in which the next Michigan renaissance zone is located, may extend the duration of renaissance zone status for the next Michigan renaissance zone for 1 or more periods that when combined do not exceed 10 years.

(2) The next Michigan development corporation ~~shall make recommendations~~ **may recommend** to the board of the Michigan strategic fund ~~to certify~~ **that** an eligible next Michigan business **be certified** as a qualified eligible next Michigan business entitled to the exemptions, deductions, or credits as provided in section 9. ~~Upon~~ **On** the recommendation of a next Michigan development corporation and subject to subsection (10), the board of the Michigan strategic fund ~~may~~ **shall** determine whether an eligible next Michigan business should receive the benefits of a renaissance zone and ~~certify that eligible next Michigan business~~ **be certified** as a qualified eligible next Michigan business under this act. ~~and subject to~~ **The board of the Michigan strategic fund shall not certify an eligible next Michigan business as a qualified eligible next Michigan business unless** a written agreement **is executed** as provided in subsection (8). The board of the Michigan strategic fund shall establish a standard process to evaluate applications for certification as a qualified eligible next Michigan business and shall appoint a committee to review the applications. The standard application process developed by the board of the Michigan strategic fund shall be approved by a resolution of the board of the Michigan strategic fund before an eligible next Michigan business is certified as a qualified eligible next Michigan business. The board of the Michigan strategic fund shall certify or deny ~~the~~ **an** application to certify an eligible next Michigan business as a qualified eligible next Michigan business ~~within~~ **not later than** 49 days ~~of~~ **after** receipt of ~~the~~ **a complete** application. ~~that is complete in all material~~

~~respects as determined by the president of the Michigan strategic fund.~~ If the board of the Michigan strategic fund fails to certify or deny ~~the~~ **an** application for certification within 49 days ~~of~~ **after** receipt of the **complete** application, ~~that is complete in all material respects as determined by the president of the Michigan strategic fund,~~ the application for certification is considered approved. If the board of the Michigan strategic fund denies ~~the~~ **an** application for certification, the applicant may appeal that denial to the board of the Michigan strategic fund for reconsideration. The president of the Michigan strategic fund shall notify the next Michigan development corporation that the Michigan strategic fund has certified a qualified eligible next Michigan business in a next Michigan development district. The next Michigan development corporation shall develop an application process for eligible next Michigan businesses, which process ~~shall~~ **must** be approved by the board of the Michigan strategic fund. A next Michigan development corporation shall not use the incentives provided in this act primarily to recruit an eligible next Michigan business to relocate from a location in this state to another location in this state. A next Michigan development corporation shall not recommend and the board of the Michigan strategic fund shall not certify an eligible next Michigan business as a qualified eligible next Michigan business unless that eligible next Michigan business opens a new location in this state, locates in this state, or is an existing business located in this state that will materially expand its business in this state as determined by the board of the Michigan strategic fund. However, the board of the Michigan strategic fund shall not certify an eligible next Michigan business as a qualified eligible next Michigan business if the principal economic effect of the expansion or location of the eligible next Michigan business into a next Michigan development district is the transfer of employment from 1 or more cities, villages, or townships in this state to the next Michigan development district, and each order or resolution certifying an eligible next Michigan business as a qualified eligible next Michigan business ~~shall~~ **must** contain an express finding, based ~~upon~~ **on** competent and material evidence in the record, of compliance with the requirements of this subsection. ~~Any~~ **A** transfer of employment from 1 or more cities, villages, and townships in this state to a next Michigan development district ~~resulting~~ **that results** from the expansion or location of an eligible next Michigan business into a next Michigan development district in which the aggregate number of transferred full-time employees is less than 15% of the total number of full-time employees proposed to be located in the next Michigan development district by the eligible next Michigan business ~~shall be~~ **is** conclusively presumed to not be a principal economic effect of the expansion or location. ~~In the event that~~ **If** a transfer of employment will occur ~~resulting from~~ **because of** the expansion or location of an eligible next Michigan business into a next Michigan development district, the board of the Michigan strategic fund shall provide written notice of the order or resolution certifying the eligible next Michigan business as a qualifying next Michigan business to the chief executive officer of each county, city, village, and township from which the transfer of employment will occur ~~within~~ **not later than** 10 days ~~of~~ **after** the order or resolution certifying the qualified eligible next Michigan business. The chief executive officer of each county, city, village, and township notified under this subsection ~~shall have~~ **has**

30 days to file an appeal of the certification with the board of the Michigan strategic fund. The board of the Michigan strategic fund shall decide the appeal ~~within~~ **not later than** 45 days ~~of~~ **after** the receipt of the appeal. The board of the Michigan strategic fund shall not certify an eligible next Michigan business as a qualified eligible next Michigan business if the business applicant has been convicted of a felony and the board of the Michigan strategic fund has determined that the conviction will have a material impact on the business applicant's ability to fulfill its obligations under this act. As used in this subsection, the business applicant includes the business entity, affiliates, subsidiaries, officers, directors, managerial employees, and any person ~~who,~~ **that**, directly or indirectly, holds a pecuniary interest in that business entity of 20% or more.

(3) ~~Upon~~ **On** request of the next Michigan development corporation, the board of the Michigan strategic fund may modify an existing next Michigan renaissance zone to add additional property under the same terms and conditions as the existing next Michigan renaissance zone if all of the following **requirements** are met:

(a) The additional real property is located within the boundaries of the next Michigan development district and will be owned or operated by a qualified eligible next Michigan business once it is brought into operation, as determined by the board of the Michigan strategic fund.

(b) The next Michigan development corporation and the city, village, or township in which the qualified eligible next Michigan business is located consent to the modification.

(c) The aggregate territory limitations provided in subsection (1) will not be exceeded.

(4) A qualified eligible next Michigan business in a next Michigan renaissance zone ~~shall~~ **may** be granted the benefits of renaissance zone status for a period of ~~up to~~ **not more than** 15 years.

(5) The board of the Michigan strategic fund may revoke the designation of all or a portion of a next Michigan renaissance zone or the certification of a qualified eligible next Michigan business if the board of the Michigan strategic fund determines 1 or more of the following:

(a) The qualified eligible next Michigan business proposed in the application fails, or a preponderance of businesses proposed in the application fail, to commence operation within 2 years from the date of the certification as a qualified eligible next Michigan business.

(b) The qualified eligible next Michigan business proposed in the application to commence operation within the next Michigan renaissance zone ceases operation. ~~, provided that designation shall not be revoked~~ **The board of the Michigan strategic fund shall not revoke a designation under this subdivision** if the qualified eligible next Michigan business has assigned its rights to a successor entity engaged in a qualified eligible next Michigan business.

(c) The qualified eligible next Michigan business proposed in the application to commence operation within the next Michigan renaissance zone fails to commence construction or renovation within 1 year from the date of the certification as a qualified eligible next Michigan business.

(d) The qualified eligible next Michigan business fails to meet jobs and investment criteria set forth in the application and approved as a condition by the president or the board of the Michigan strategic fund.

(e) The local governmental unit in which the qualified eligible next Michigan business is located withdraws from the next Michigan development corporation interlocal agreement. ~~, provided that~~ **If the board of the Michigan strategic fund revokes a designation under this subdivision**, the tax incentives previously granted to the qualified eligible next Michigan business ~~shall~~ remain in full force and effect for the stated term of the tax incentives ~~so long as~~ **if** the qualified eligible next Michigan business satisfies all of the conditions ~~upon~~ **on** which the tax incentives were granted.

(6) If the designation of all or a portion of a next Michigan renaissance zone or the certification of a qualified eligible next Michigan business is revoked, a qualified eligible next Michigan business affected may appeal that revocation to the board of the Michigan strategic fund. The designation may subsequently be restored by the board of the Michigan strategic fund to the same site and in respect of a qualified eligible next Michigan business, but the duration of the restored designation ~~shall~~ **may** not exceed the term of the original designation.

(7) ~~Upon~~ **On** request of the next Michigan development corporation, the board of the Michigan strategic fund may extend the duration of renaissance zone status for 1 or more portions of a next Michigan renaissance zone if the extension will increase capital investment or job creation, and the next Michigan development corporation and the city, village, or township in which that portion of the next Michigan renaissance zone is located consents to extend the duration of renaissance zone status. ~~The~~

Except as otherwise provided in section 9a, the board of the Michigan strategic fund may extend renaissance zone status for 1 or more portions of the next Michigan renaissance zone under this subsection for a period of time not to exceed 5 additional years as determined by the board of the Michigan strategic fund.

(8) Before an eligible next Michigan business is certified as a qualified eligible next Michigan business, the board of the Michigan strategic fund shall enter into a written agreement with the next Michigan development corporation and a qualified eligible next Michigan business in respect of the terms and conditions of granting and retaining renaissance zone status, certification as a qualified eligible next Michigan business, and any other related matters. The written agreement also ~~shall~~ **must** contain a remedy provision that includes, but is not limited to, all of the following:

(a) A requirement that all or a portion of the exemptions, deductions, or credits described in section 9 shall be revoked under the procedures set forth in this act if the qualified eligible next Michigan business is determined to be in violation of ~~the provisions of~~ this act or the written agreement or relocates outside the next Michigan development district for a period of years after renaissance zone status expires as set forth in the written agreement.

(b) A requirement that the qualified eligible next Michigan business may be required to repay all or a portion of the exemptions, deductions, or credits described in section 9 if the qualified eligible next Michigan business is determined to be in violation of the provisions of this act or the written agreement or relocates outside the next Michigan development district for a period of years after renaissance zone status expires as set forth in the written agreement.

(9) Except as otherwise provided in this subsection, the commencement of renaissance zone status under this section ~~shall take~~ **takes** effect on January 1 in the year following designation. However, for purposes of the taxes exempted under section 9(2), the commencement of renaissance zone status under this section ~~shall take~~ **takes** effect on December 31 in the year immediately preceding the year in which the commencement under this section takes effect.

(10) The board of the Michigan strategic fund shall not certify more than 25 eligible businesses as qualified eligible next Michigan businesses under this act. The board of the Michigan strategic fund shall not certify more than 10 eligible businesses as qualified eligible next Michigan businesses in a next Michigan development district. ~~as defined in the next Michigan development act.~~

(11) As used in this section, "complete application" means an application that is complete in all material respects as determined by the president of the Michigan strategic fund.

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

(a) Section 39b of former 1975 PA 228 or section 433 of the Michigan business tax act, 2007 PA 36, MCL 208.1433.

(b) Section 31a of the income tax act of 1967, 1967 PA 281, MCL 206.31a.

(c) Section 35 of chapter 2 of the city income tax act, 1964 PA 284, MCL 141.635.

(d) Section 5 of the city utility users tax act, 1990 PA 100, MCL 141.1155.

(2) Except as otherwise provided in ~~section~~ **sections 9a and** 10, property located in a renaissance zone is exempt from the collection of taxes under all of the following:

(a) Section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff.

(b) Section 11 of 1974 PA 198, MCL 207.561.

(c) Section 12 of the commercial redevelopment act, 1978 PA 255, MCL 207.662.

(d) Section 21c of the enterprise zone act, 1985 PA 224, MCL 125.2121c.

(e) Section 1 of 1953 PA 189, MCL 211.181.

(f) Section 12 of the technology park development act, 1984 PA 385, MCL 207.712.

(g) Section 51105 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51105.

(h) Section 9 of the neighborhood enterprise zone act, 1992 PA 147, MCL 207.779.

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

(a) For the tax year that is 2 years before the final year of designation as a renaissance zone, ~~the percentage shall be~~ 25%.

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

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

(4) ~~Where~~ **If** a portion of a renaissance zone is included within a transformational brownfield plan under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672, upon~~ **125.2670, on** the request of the owner of the real property located within the applicable portion of the zone and the local government unit which designated the zone, and the approval of the Michigan strategic fund and the approval of the city levying an income tax within that zone, subsection (1)(b) and (c) ~~shall~~ **does** not apply within that portion of the renaissance zone. The election under this subsection ~~shall be~~ **is** effective only ~~where~~ **if** the revenues to be collected as a result of the election will be transmitted pursuant to a transformational brownfield plan as provided in section 13c(13) of the brownfield redevelopment financing act, 1996 PA 381, MCL ~~125.2663a.~~**125.2663c.**

Sec. 9a. (1) Notwithstanding any other section in this act to the contrary and subject to subsection (2), beginning on the effective date of the amendatory act that added this section, the duration of renaissance zone status, including any extensions, may not exceed 15 years. The bureau shall revoke a renaissance zone designation that violates this subsection.

(2) If a written agreement or other contractual obligation under this act is in effect on the effective date of the amendatory act that added this section, the written agreement or other contractual obligation, including any tax incentives, remains in full force and effect in accordance with the written agreement or other contractual obligation.

(3) Renaissance zones may not be designated, amended, or extended after December 31, 2030.

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

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

(*i*) Former 1975 PA 228 or the Michigan business tax act, 2007 PA 36, MCL 208.1101 to ~~208.1601.~~**208.1519.**

(*ii*) The income tax act of 1967, 1967 PA 281, MCL 206.1 to ~~206.532.~~**206.847.**

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

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

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

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

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

(*viii*) Part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120.

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

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

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

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

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

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

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

section 9a(2), a business that is located and conducts business activity within a renaissance zone or a person that owns property located in a renaissance zone, other than an individual who is a resident of a renaissance zone, is eligible for an exemption, deduction, or credit under section 9(1) or (2) until the department of treasury determines that the aggregate state and local tax revenue forgone as a result of all exemptions, deductions, or credits granted under this act to that individual business or person reaches $50,000,000.00.

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

(4) For tax years beginning on or after January 1, 1997, an individual who is a resident of a renaissance zone ~~shall~~ **must** not be denied ~~the~~ **an** exemption under subsection ~~(1) if the individual failed~~ **(1)(a)(*ii*) for failing** to file a return on or before December 31 of the prior tax year ~~under subsection (1)(a)(*ii*) and~~ **if** that individual was entitled to a refund under ~~that act.~~ **the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.847, for the tax year**

for which the return was not filed.

(5) A business that is located and conducts business activity within a renaissance zone ~~shall~~ **must** not be denied ~~the~~ **an** exemption under subsection ~~(1) if the business failed~~ **(1)(a)(*i*) for failing** to file a return on or before December 31 of the prior tax year ~~under subsection (1)(a)(*i*) and~~ **if** that business had no tax liability under ~~that act~~ **former 1975 PA 228 or the Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1519,** for the tax year for which the return was not filed.

(6) In a next Michigan renaissance zone, only property owned or leased by a qualified eligible next Michigan business and business activity conducted in a next Michigan renaissance zone by a qualified eligible next Michigan business are eligible for the exemptions, deductions, or credits described in section 9.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 631 of the 103rd Legislature is enacted into law.