

# SENATE BILL No. 1206

March 12, 2008, Introduced by Senator ALLEN and referred to the Committee on Commerce and Tourism.

A bill to amend 1996 PA 376, entitled  
"Michigan renaissance zone act,"  
by amending sections 3 and 8d (MCL 125.2683 and 125.2688d), section  
3 as amended by 2006 PA 304 and section 8d as amended by 2006 PA  
93.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3. As used in this act:

2       (a) "Agricultural processing facility" means 1 or more  
3 facilities or operations that transform, package, sort, or grade  
4 livestock or livestock products, agricultural commodities, or  
5 plants or plant products, excluding forest products, into goods  
6 that are used for intermediate or final consumption including goods  
7 for nonfood use, and surrounding property.

8       (b) "Board" means the state administrative board created in

1 1921 PA 2, MCL 17.1 to 17.3.

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

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

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

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

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

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

18 (d) "Elected county executive" means the elected county  
19 executive in a county organized under 1966 PA 293, MCL 45.501 to  
20 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

21 (e) "Forest products processing facility" means 1 or more  
22 facilities or operations that transform, package, sort, recycle, or  
23 grade forest or paper products into goods that are used for  
24 intermediate or final use or consumption or for the creation of  
25 biomass or alternative fuels through the utilization of forest  
26 products or forest residue, and surrounding property. Forest  
27 products processing facility does not include an existing facility

1 or operation that is located in this state that relocates to a  
2 renaissance zone for a forest products processing facility. Forest  
3 products processing facility does not include a facility or  
4 operation that engages primarily in retail sales.

5 (f) "Local governmental unit" means a county, city, village,  
6 or township.

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

10 (h) "Qualified local governmental unit" means either of the  
11 following:

12 (i) A county.

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

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

18 (j) "Renaissance zone" means a geographic area designated  
19 under this act.

20 (k) "Renewable energy facility" means a system that creates  
21 energy from a process using residues from agricultural products,  
22 forest products, paper products industries, and food production and  
23 processing; trees and grasses grown specifically to be used as  
24 energy crops; and gaseous fuels produced from solid biomass, animal  
25 wastes, or landfills.

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

1 211.7ff.

2 (m) "Review board" means the renaissance zone review board  
3 created in section 5.

4 (n) "Rural area" means an area that lies outside of the  
5 boundaries of an urban area.

6 (o) "Urban area" means an urbanized area as determined by the  
7 economics and statistics administration, United States bureau of  
8 the census according to the 1990 census.

9 Sec. 8d. (1) The board of the Michigan strategic fund  
10 described in section 4 of the Michigan strategic fund act, 1984 PA  
11 270, MCL 125.2004, may designate not more than ~~25~~30 tool and die  
12 renaissance recovery zones within this state in 1 or more cities,  
13 villages, or townships if that city, village, or township or  
14 combination of cities, villages, or townships consents to the  
15 creation of a recovery zone within their boundaries. A recovery  
16 zone shall have a duration of renaissance zone status for a period  
17 of not less than 5 years and not more than 15 years as determined  
18 by the board of the Michigan strategic fund. If the Michigan  
19 strategic fund determines that the duration of renaissance zone  
20 status for a recovery zone is less than 15 years, then the Michigan  
21 strategic fund, with the consent of the city, village, or township  
22 or combination of cities, villages, or townships in which the  
23 qualified tool and die business is located, may extend the duration  
24 of renaissance zone status for the recovery zone for 1 or more  
25 periods that when combined do not exceed 15 years. Not less than 1  
26 of the recovery zones shall consist of 1 or more qualified tool and  
27 die businesses that have a North American industrial classification

1 system (NAICS) of 332997.

2 (2) The board of the Michigan strategic fund may designate a  
3 recovery zone within this state if the recovery zone consists of  
4 not less than 4 and not more than 20 qualified tool and die  
5 businesses at the time of designation. If the board of the Michigan  
6 strategic fund designated 1 or more recovery zones that contain  
7 less than 20 qualified tool and die businesses before December 19,  
8 2005, the board of the Michigan strategic fund may add additional  
9 qualified tool and die businesses to that recovery zone subject to  
10 the limitations contained in this subsection. A recovery zone shall  
11 consist of only qualified tool and die business property. The board  
12 of the Michigan strategic fund may combine existing recovery zones  
13 that are comprised solely of tool and die businesses that are  
14 parties to the same qualified collaborative agreement. Where 2 or  
15 more recovery zones have been combined, the board of the Michigan  
16 strategic fund may continue to designate additional recovery zones,  
17 provided that no more than ~~25~~30 tool and die recovery zones exist  
18 at 1 time.

19 (3) The board of the Michigan strategic fund may revoke the  
20 designation of all or a portion of a recovery zone with respect to  
21 1 or more qualified tool and die businesses if those qualified tool  
22 and die businesses fail or cease to participate in or comply with a  
23 qualified collaborative agreement. A qualified tool and die  
24 business may enter into another qualified collaborative agreement  
25 once it is designated part of a recovery zone.

26 (4) One or more qualified tool and die businesses subject to a  
27 qualified collaborative agreement may merge into another group of

1 qualified tool and die businesses subject to a different qualified  
2 collaborative agreement upon application to and approval by the  
3 Michigan strategic fund.

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

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

11 (7) As used in this section:

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

15 (i) Sales and marketing efforts.

16 (ii) Development of standardized processes.

17 (iii) Development of tooling standards.

18 (iv) Standardized project management methods.

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

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

23 (i) Has a North American industrial classification system  
24 (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515; or  
25 has a North American industrial classification system (NAICS) of  
26 337215 and operates a facility within an existing renaissance zone,  
27 which facility is adjacent to real property not located in a

1 renaissance zone and is located within 1/4 mile of a Michigan  
2 technical education center.

3 (ii) Has entered into a qualified collaboration agreement as  
4 approved by the Michigan strategic fund consisting of not fewer  
5 than 4 or more than 20 other business entities at the time of  
6 designation that have a North American industrial classification  
7 system (NAICS) of 332997, 333511, 333512, 333513, 333514, or  
8 333515.

9 (iii) Has fewer than 75 full-time employees.

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

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

21 (ii) Property leased by 1 or more qualified tool and die  
22 business for which the qualified tool and die business is liable  
23 for ad valorem property taxes and which is used by those qualified  
24 tool and die businesses primarily for tool and die business  
25 operations. Qualified tool and die business property is used  
26 primarily for tool and die business operations if the qualified  
27 tool and die businesses that lease the qualified tool and die

1 business property generate 75% or more of the qualified tool and  
2 die businesses' gross revenue from tool and die operations that  
3 take place on the qualified tool and die business property at the  
4 time of designation. The qualified tool and die business shall  
5 furnish proof of its ad valorem property tax liability to the  
6 department of treasury.