

# SENATE BILL No. 1414

September 12, 2006, Introduced by Senators GILBERT and ALLEN and referred to the Committee on Commerce and Labor.

A bill to amend 1996 PA 376, entitled  
"Michigan renaissance zone act,"  
by amending sections 8c, 8e, and 8f (MCL 125.2688c, 125.2688e, and  
125.2688f), section 8c as amended by 2006 PA 284, section 8e as  
added by 2006 PA 270, and section 8f as added by 2006 PA 305.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 8c. (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, may designate not  
5       more than 30 additional renaissance zones for agricultural  
6       processing facilities within this state in 1 or more cities,  
7       villages, or townships if that city, village, or township or  
8       combination of cities, villages, or townships consents to the

1 creation of a renaissance zone for an agricultural processing  
2 facility within their boundaries.

3 (2) Each renaissance zone designated for an agricultural  
4 processing facility under this section shall be 1 continuous  
5 distinct geographic area.

6 (3) The board may revoke the designation of all or a portion  
7 of a renaissance zone for an agricultural processing facility if  
8 the board determines that the agricultural processing facility does  
9 1 or more of the following in a renaissance zone designated under  
10 this section:

11 (a) Fails to commence operation.

12 (b) Ceases operation.

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

16 (4) Beginning ~~on the date of the amendatory act that added~~  
17 ~~this subsection~~ **JULY 10, 2006**, the board shall consider all of the  
18 following when designating a renaissance zone for an agricultural  
19 processing facility:

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

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

25 (c) The viability of the project.

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

1 (e) All other things being equal, giving preference to a  
2 business entity already located in this state **AND TO A BUSINESS**  
3 **THAT COMMITS TO USE FIRMS LOCATED IN THIS STATE TO CONSTRUCT OR**  
4 **EXPAND THE AGRICULTURAL PROCESSING FACILITY.**

5 (F) **THE CREATION OF INDIRECT JOBS ASSOCIATED WITH THE**  
6 **CONSTRUCTION OR EXPANSION OF THE AGRICULTURAL PROCESSING FACILITY.**

7 (5) Beginning ~~on the date of the amendatory act that added~~  
8 ~~this subsection~~ **JULY 10, 2006**, the board shall do all of the  
9 following:

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

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

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

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

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

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

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

27 (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.

**(iv) THE NUMBER OF INDIVIDUALS WHO RESIDE IN THIS STATE WHO ARE EMPLOYED IN THE CONSTRUCTION OR EXPANSION OF THE AGRICULTURAL PROCESSING FACILITY.**

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

Sec. 8e. (1) The board, upon 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 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.

(2) Each renaissance zone designated for a renewable energy facility under this section shall 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.

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

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

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

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

10 (c) The viability of the project.

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

13 (e) All other things being equal, giving preference to a  
14 business entity already located in this state **AND TO A BUSINESS**  
15 **THAT COMMITS TO USE FIRMS LOCATED IN THIS STATE TO CONSTRUCT OR**  
16 **EXPAND THE RENEWABLE ENERGY FACILITY.**

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

19 **(G) THE CREATION OF INDIRECT JOBS ASSOCIATED WITH THE**  
20 **CONSTRUCTION OR EXPANSION OF THE RENEWABLE ENERGY FACILITY.**

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

25 (6) Until the maximum number of additional renaissance zones  
26 for renewable energy facilities described in subsection (1) is met,  
27 if the board designates a renaissance zone under this section,

1 section 8c, or section 8f for a facility that is a forest products  
2 processing facility or an agricultural processing facility and that  
3 also meets the definition of a renewable energy facility, then the  
4 board shall only designate that renaissance zone as a renaissance  
5 zone for a renewable energy facility under this section.

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

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

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

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

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

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

20 (iv) **THE NUMBER OF INDIVIDUALS WHO RESIDE IN THIS STATE WHO ARE**  
21 **EMPLOYED IN THE CONSTRUCTION OR EXPANSION OF THE RENEWABLE ENERGY**  
22 **FACILITY.**

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

25 Sec. 8f. (1) The board, upon recommendation of the board of  
26 the Michigan strategic fund defined in section 4 of the Michigan  
27 strategic fund act, 1984 PA 270, MCL 125.2004, may designate not

1 more than 10 additional renaissance zones for forest products  
2 processing facilities within this state in 1 or more cities,  
3 villages, or townships if that city, village, or township or  
4 combination of cities, villages, or townships consents to the  
5 creation of a renaissance zone for a forest products processing  
6 facility within their boundaries. The board shall designate not  
7 more than 5 renaissance zones for a forest products processing  
8 facility each year until the maximum number of renaissance zones  
9 for a forest products processing facility is met.

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

13 (3) The board may revoke the designation of all or a portion  
14 of a renaissance zone for a forest products processing facility if  
15 the board determines that the forest products processing facility  
16 does 1 or more of the following in a renaissance zone designated  
17 under this section:

18 (a) Fails to commence operation.

19 (b) Ceases operation.

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

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

27 (a) The economic impact on local suppliers who supply raw

1 materials, goods, and services to the forest products processing  
2 facility.

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

5 (c) The viability of the project.

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

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

11 **(F) THE CREATION OF INDIRECT JOBS ASSOCIATED WITH THE**  
12 **CONSTRUCTION OR EXPANSION OF THE FOREST PRODUCTS PROCESSING**  
13 **FACILITY.**

14 **(G) ALL OTHER THINGS BEING EQUAL, GIVING PREFERENCE TO A**  
15 **BUSINESS THAT COMMITS TO USE FIRMS LOCATED IN THIS STATE TO**  
16 **CONSTRUCT OR EXPAND THE FOREST PRODUCTS PROCESSING FACILITY.**

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

21 (6) As used in this section, "development agreement" means a  
22 written agreement between the Michigan strategic fund and the  
23 forest products processing facility that includes, but is not  
24 limited to, all of the following:

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

27 (b) A requirement that the forest products processing facility



1 report annually to the Michigan strategic fund on all of the  
2 following:

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

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

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

9 (iv) **THE NUMBER OF INDIVIDUALS WHO RESIDE IN THIS STATE WHO ARE**  
10 **EMPLOYED IN THE CONSTRUCTION OR EXPANSION OF THE FOREST PRODUCTS**  
11 **PROCESSING FACILITY.**

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