
A BILL FOR AN ACT

RELATING TO MASS TRANSIT ROUTE ECONOMIC ZONES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. **Mass transit route economic zones; task force;**

2 **duties; report.** (a) There is created the temporary mass
3 transit route economic zone task force within the department of
4 business, economic development, and tourism for administrative
5 purposes only. The task force shall be chaired by the director
6 of business, economic development, and tourism, who shall be a
7 voting member, and shall consist of the following members or
8 their designees:

9 (1) Director of transportation;

10 (2) Director of taxation;

11 (3) Director of finance;

12 (4) Director of labor and industrial relations;

13 (5) Chairperson of the board of land and natural
14 resources;

15 (6) Executive director of the Hawaii community development
16 authority;

17 (7) Chairperson of the board of the Hawaii housing finance
18 and development corporation;



- 1 (8) President of the University of Hawaii;
- 2 (9) Mayor of the city and county of Honolulu;
- 3 (10) Chairperson of the council of the city and county of
- 4 Honolulu;
- 5 (11) Two members appointed by the president of the senate;
- 6 and
- 7 (12) Two members appointed by the speaker of the house of
- 8 representatives.
- 9 (b) The members shall serve without compensation but shall
- 10 be reimbursed for expenses, including travel expenses, necessary
- 11 for the performance of their duties.
- 12 (c) The task force shall convene its first meeting no
- 13 later than twenty days after the effective date of this Act.
- 14 (d) The task force shall examine the concept and
- 15 feasibility of establishing economic zones proximate to the
- 16 route or routes of any future mass transit system on the island
- 17 of Oahu, particularly in the areas surrounding transit stops
- 18 that are economically depressed. The task force shall consider,
- 19 evaluate, and determine at least the following components and
- 20 structure of a mass transit route economic zone:



- 1 (1) Eligibility criteria to qualify as an economic zone,
2 including geographic, demographic, income, or any
3 other criteria;
- 4 (2) Eligibility criteria to qualify as a participating
5 business, entity, or organization to receive benefits
6 in an economic zone, including any eligibility
7 restrictions, conditions, or exclusions from
8 participation such as minimum required employment,
9 gross revenues, type of business or service, and any
10 other conditions;
- 11 (3) Benefits to be offered to qualified participants,
12 including: tax credits for income tax, general excise
13 and use tax, and county real property tax; incentives
14 including regulatory flexibility and permit processing
15 procedures; and any other benefits the task force
16 determines should be considered;
- 17 (4) The range, amount, and duration of any benefits to be
18 offered to qualified participants;
- 19 (5) Focus on affordable housing, medical services, or any
20 other particular type of participating business,
21 entity, or organization in an economic zone;



1 (6) Consideration of the possibility of granting benefits
2 similar to those available in a state enterprise zone
3 pursuant to chapter 209E, Hawaii Revised Statutes;

4 (7) Need for the exercise of eminent domain;

5 (8) Potential jurisdictional conflicts between the State
6 and the city and county of Honolulu;

7 (9) Estimates of potential costs of implementing mass
8 transit route economic zones; and

9 (10) Any other issue deemed relevant for consideration by
10 the task force.

11 (e) The task force shall submit a report of findings and
12 recommendations, including any necessary proposed legislation,
13 to the legislature no later than twenty days prior to the
14 convening of the regular session of 2010. The task force report
15 shall include the following:

16 (1) The process by which the department of business,
17 economic development, and tourism designates a
18 particular area a mass transit route economic zone,
19 including application for economic zone status by the:

20 (A) Council of the city and county of Honolulu; and

21 (B) Mayor of the city and county of Honolulu; and



1 (2) A complete and detailed program of incentives and
 2 benefits to be made available within a mass transit
 3 route economic zone, especially incentives to attract
 4 businesses and the development of affordable housing
 5 near transit stations to encourage ridership.

6 (f) The task force shall terminate on June 30, 2010.

7 SECTION 2. This Act shall take effect upon its approval.

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INTRODUCED BY:

J. H. Kanamitsu

[Signature]

[Signature]
Curly Evans

Jessica Wadley

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JAN 23 2009



Report Title:

Mass Transit Route Economic Zone Task Force

Description:

Creates a task force to recommend parameters for the creation of mass transit route economic zones including eligibility and benefits and incentives such as tax credits. Report to legislature, including process to designate economic zones and incentives to attract businesses and affordable housing to encourage ridership. Task force terminates on 06/30/10.

