
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. The task force shall also consist of the
8 following members or 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) Director of the department of planning and permitting
14 of the city and county of Honolulu;
 - 15 (6) Chairperson of the board of land and natural
16 resources;
 - 17 (7) Executive director of the Hawaii community development
18 authority;



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



- 1 (1) Criteria for an economic zone, including geographic,
2 demographic, income, or any other criteria;
- 3 (2) Criteria for eligibility as a participating business,
4 entity, or organization to receive benefits in an
5 economic zone, including any eligibility restrictions,
6 conditions, or exclusions from participation such as
7 minimum required employment, gross revenues, type of
8 business or service, and any other conditions;
- 9 (3) Benefits to be offered to qualified participants,
10 including: tax credits for income tax, general excise
11 and use tax, and county real property tax; incentives
12 including regulatory flexibility and permit processing
13 procedures; and any other benefits the task force
14 determines should be considered;
- 15 (4) The range, amount, and duration of any benefits to be
16 offered to qualified participants;
- 17 (5) Whether there will be a focus on affordable housing,
18 medical services, or any other particular type of
19 participating business, entity, or organization in an
20 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) The need for the exercise of the power of eminent
5 domain;
- 6 (8) Potential jurisdictional conflicts between the State
7 and the city and county of Honolulu;
- 8 (9) Estimates of the costs of implementing mass transit
9 route economic zones; and
- 10 (10) Any other issue deemed relevant by 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 will designate a
18 particular area a mass transit route economic zone,
19 including the procedure by which the council of the
20 city and county of Honolulu and the mayor of the city
21 and county of Honolulu may apply for economic zone
22 status; and



1 (2) A complete and detailed description of the incentives
2 and benefits available within a mass transit route
3 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.



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. (HB617 HD1)

