

JAN 21 2011

A BILL FOR AN ACT

RELATING TO ENTERPRISE ZONES.

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

1 SECTION 1. Senate Concurrent Resolution No. 132, S.D. 1
2 (2009), established a task force to determine the economic
3 contributions of the construction industry in Hawaii and to
4 develop a series of proposals for state actions to preserve and
5 create new jobs in the local construction industry. This Act
6 implements one of the task force's proposals in conjunction with
7 the Abercrombie administration's support for state actions to
8 create new jobs in Hawaii's construction industry.

9 In addition, in 2010, the senate committee on economic
10 development and technology and the house committee on economic
11 revitalization, business, and military affairs convened an
12 informal small business discussion group to address the most
13 critical issues facing the small business sectors within
14 Hawaii's economy. Representatives from the Chamber of Commerce
15 of Hawaii, construction and trades industries, community
16 nonprofits, the agricultural sector, food and restaurant
17 industries, retailing, the science and technology sector, the
18 commercial transportation industry, and interested stakeholders



1 developed a package of bills that address the most pressing
2 problems facing Hawaii's small business community.

3 The purpose of this Act is to support the findings of the
4 small business working group and the recommendations proposed by
5 the construction industry task force to broaden the scope of the
6 State's existing enterprise zones law so that it will further
7 encourage private sector investment to begin projects that will
8 lead to the construction, development, or rehabilitation of new
9 or existing buildings or structures in those designated
10 enterprise zones.

11 SECTION 2. Section 209E-2, Hawaii Revised Statutes, is
12 amended as follows:

13 1. By adding two new definitions to read:

14 "Historic property" means a building or structure that is:

15 (1) Over fifty years old; and

16 (2) Listed on the national register of historic places or
17 the Hawaii register of historic places.

18 "Multi-family dwelling" means any building or structure for
19 sale, lease, or rent that provides shelter for more than two
20 dwelling."

21 2. By amending the definition of "eligible business
22 activity" to read:



1 ""Eligible business activity" means the:

2 (1) Manufacture of tangible personal property, the
3 wholesale sale of tangible personal property as
4 described in section 237-4, or a service business as
5 defined in this section;

6 (2) Production of agricultural products where the business
7 is a producer as defined in section 237-5, or the
8 processing of agricultural products, all or some of
9 which were grown within an enterprise zone;

10 (3) Research, development, sale, or production of all
11 types of genetically-engineered medical, agricultural,
12 or maritime biotechnology products; [~~or~~]

13 (4) Production of electric power from wind energy for sale
14 primarily to a public utility company for resale to
15 the public[~~-~~]; or

16 (5) Construction or remodeling costs associated with the
17 development or rehabilitation of:

18 (A) A new or existing health care facility, as
19 defined in section 323D-2;

20 (B) Historic property;

21 (C) A new or existing single family residence; or

22 (D) A multi-family dwelling."



1 SECTION 3. Section 209E-4, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The governor, upon the recommendation of the
4 director, shall approve the designation of up to [~~six~~] twelve
5 areas in each county as enterprise zones for a period of twenty
6 years. Any such area shall be located in one United States
7 census tract or two or more contiguous United States census
8 tracts in accordance with the most recent decennial United
9 States Census. The census tract or tracts within which each
10 enterprise zone is located also shall meet at least one of the
11 following criteria:

12 (1) Twenty-five per cent or more of the population have
13 incomes below eighty per cent of the median family
14 income of the county; or

15 (2) The unemployment rate is 1.5 times the state average."

16 SECTION 4. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect upon its approval.
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INTRODUCED BY:

Erzanne Chun Akahana

Carol Fukunaga
Malama John
Randy H. Bell



Report Title:

Construction Task Force (2010); Tax Credit; Enterprise Zones;
Eligible Business Activity

Description:

Amends the definition of an eligible business activity under the State enterprise zones law and increases the number of areas in each county that may be designated as an enterprise zone.

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