
A BILL FOR AN ACT

RELATING TO STATE ENTERPRISE ZONES.

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

1 SECTION 1. The purpose of this Act is to incentivize
2 business investment targeted along emerging enterprise zones,
3 and to coordinate state tax credits by expanding enterprise zone
4 designation for Economic Development for Growing Economy (EDGE):

5 SECTION 2. Section 209E-4, Hawaii Revised Statutes, is
6 amended as to read as follows:

7 "**§209E-4 Enterprise zone designation.** (a) The governing
8 body of any county may apply in writing to the department to
9 have an area declared to be an enterprise zone. The application
10 shall include a description of the location of the area or areas
11 in question, and a general statement identifying proposed local
12 incentives to complement the state and any federal incentives.

13 (b) The governor, upon the recommendation of the director,
14 shall approve the designation of up to six areas in each county,
15 and an additional six areas in the State within one-half mile of
16 a proposed or existing rail transit station as enterprise zones
17 for a period of twenty years. Any such area shall be located in



1 one United States census tract, or two or more contiguous United
2 States census tracts in accordance with the most recent
3 decennial United States Census[-], or areas within one-half mile
4 of a proposed or existing rail transit station. The census
5 tract or tracts within which each enterprise zone is located
6 also shall meet at least one of the following criteria:

- 7 (1) Twenty-five per cent or more of the population have
8 incomes below eighty per cent of the median family
9 income of the county; [~~or~~]
- 10 (2) The unemployment rate is 1.5 times the state
11 average[-]; or
- 12 (3) Within one-half mile of a proposed or existing rail
13 transit station.

14 SECTION 3. Section 209E-9, Hawaii Revised Statutes, is
15 amended to read as follows:

16 **"§209E-9 Eligibility; qualified business; sale of property**
17 **or services.** (a) Any business firm may be eligible to be
18 designated a qualified business for purposes of this chapter if
19 the business:

- 20 (1) Begins the operation of a trade or business of an
21 eligible business activity within an enterprise zone;



- 1 (2) During each taxable year has at least fifty per cent
2 of its enterprise zone establishments' gross receipts
3 attributable to the active conduct of trade or
4 business within enterprise zones located within the
5 same county; and
- 6 (3) [Either:] Shall meet at least one of the following
7 criteria:
- 8 (A) Increases its average annual number of full-time
9 employees by at least ten per cent by the end of
10 its first tax year of participation, and during
11 each subsequent taxable year at least maintains
12 that higher level of employment; ~~[or]~~
- 13 (B) Increases its gross sales of agricultural crops
14 produced, or agricultural products processed
15 within enterprise zones located within the same
16 county by two per cent annually~~[or]~~; or
- 17 (C) Increases or perpetuates economic development for
18 growing economy (EDGE) along proposed or existing
19 rail transit station. For the purposes of this
20 section, an "economic development for growing
21 economy" or "EDGE" means a for-profit enterprise



1 that is a corporation, partnership, limited
2 liability company, sole proprietorship, or other
3 form of business entity within one-half mile of a
4 proposed or existing rail transit station."

5 SECTION 4. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 5. This Act shall take effect on July 1, 2015.

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INTRODUCED BY:

[Signature]
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JAN 28 2015



H.B. NO. 1209

Report Title:

State Enterprise Zones; Economic Development for Growing Economy

Description:

Establishes EDGE criteria to qualify for designation as an enterprise zone along rail transit stations.

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