1999 ASSEMBLY BILL 841

March 7, 2000 – Introduced by Representatives Hutchison, Schooff, Ladwig, Boyle, F. Lasee, Schneider, Stone, Ziegelbauer, Owens, Waukau, Petrowski and J. Lehman, cosponsored by Senators Burke, George, Plache, A. Lasee, Moore, Welch, Baumgart, Jauch, Rosenzweig and Roessler. Referred to Committee on Small Business and Economic Development.

- 1 AN ACT *to amend* 560.745 (1) (a) and 560.745 (1) (b); and *to create* 560.745 (1)
- (c) of the statutes; **relating to:** duration of designation of area as development
 zone.

Analysis by the Legislative Reference Bureau

The department of commerce (department) administers the development zone program. Generally, after the department designates an area as a development zone, a person or corporation that conducts or intends to conduct economic activity in the area may be certified by the department as eligible for certain tax credits. When the department designates an area as a development zone, the department allocates to that development zone a portion of \$38,155,000, which is the total amount of tax credits that may be claimed under the program.

Under current law, an area's designation as a development zone is effective for seven years, with the possibility of up to five one—year extensions. The department may withdraw an area's designation during that time, however, for various reasons that are specified in the statutes, and an area's designation expires before that time if the tax credits allocated to the development zone are used up. This bill extends the time for which an area's designation as a development zone is effective to 20 years, with the possibility of one five—year renewal. The reasons for withdrawing an area's designation are not changed, and the total amount of tax credits that may claimed under the program is not changed.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 560.745 (1) (a) of the statutes is amended to read:

560.745 **(1)** (a) The designation of an area as a development zone shall be effective for 84 <u>240</u> months, beginning on the day the department notifies the local governing body under s. 560.725 (3) of the designation.

Section 2. 560.745 (1) (b) of the statutes is amended to read:

560.745 **(1)** (b) The local governing body may apply to the department for up to 5 12-month extensions one 60-month extension of the designation. The department shall promulgate rules establishing criteria for approving an extension of a designation of an area as a development zone under this subsection.

SECTION 3. 560.745 (1) (c) of the statutes is created to read:

560.745 **(1)** (c) Paragraphs (a) and (b) apply to designations of areas as development zones that are in effect on the effective date of this paragraph [revisor inserts date], or that are made on or after the effective date of this paragraph [revisor inserts date].

15 (END)