



2011 ASSEMBLY BILL 2

January 14, 2011 – Introduced by Representatives RIVARD, WILLIAMS, SEVERSON, BALLWEG, BIES, BROOKS, KRUG, LEMAHIEU, MURSAU, A. OTT, PETROWSKI, RIPP, SPANBAUER, STEINEKE, TRANEL and KESTELL, cosponsored by Senators GALLOWAY, HARSDORF, HOLPERIN, LASEE and MOULTON. Referred to Committee on Rural Economic Development and Rural Affairs.

1 **AN ACT** *to amend* 560.799 (3) (a) and 560.799 (5) (d) (intro.); and *to create*
2 560.799 (3) (d) of the statutes; **relating to:** authorizing the designation of
3 additional enterprise zones and requiring the designation of enterprise zones
4 in rural areas.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Commerce (Commerce) may designate an area as an enterprise zone. Commerce must consider a number of factors related to the area prior to designating the area as an enterprise zone, including indicators of the area's economic need and whether designation as an enterprise zone would promote the retention of jobs in the area. A taxpayer who creates or retains jobs in an enterprise zone may claim certain credits against state income and franchise taxes. Currently, Commerce may designate no more than 12 enterprise zones. This bill permits Commerce to designate a total of 16 enterprise zones.

In determining whether to designate an area an enterprise zone, current law requires Commerce to consider specified indicators of the area's economic need and specified indicators of the effect of designation on other initiatives and programs to promote economic and community development in the area. Current law also requires Commerce to give preference to the greatest economic need. This bill requires Commerce to designate two additional enterprise zones in political subdivisions with populations of less than 5,000 and two additional enterprise zones in political subdivisions with populations between 5,000 and 29,999 (rural zones), notwithstanding the current factors Commerce must consider.

