

1999 SENATE BILL 437

March 3, 2000 – Introduced by Senators BURKE, BAUMGART, GEORGE, JAUCH, A. LASEE, MOORE, PLACHE, ROESSLER, ROSENZWEIG and WELCH, cosponsored by Representatives HUTCHISON, BOYLE, LADWIG, F. LASEE, J. LEHMAN, OWENS, PETROWSKI, SCHNEIDER, SCHOOFF, STONE, WAUKAU and ZIEGELBAUER. Referred to Committee on Economic Development, Housing and Government Operations.

1 **AN ACT** *to amend* 560.745 (1) (a) and 560.745 (1) (b); and *to create* 560.745 (1)
 2 (c) of the statutes; **relating to:** duration of designation of area as development
 3 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 be claimed under the program is not changed.

