Enterprise Zone Act

Summary

The Enterprise Zone Act establishes zones in depressed areas that have reduced taxes and removal of unnecessary government barriers to the production and earning of wages and profits and the creation of economic growth.

Model Legislation

{Title, enacting clause, etc.}

Section 1. The legislature hereby finds and declares that the health, safety and welfare of the people are enhanced by the continual encouragement, development, growth and expansion of private enterprise within the state. The legislature further finds and declares that there are certain economically depressed areas in this State that need particular attention to create new jobs, stimulate economic activity and attract private sector investment rather than government subsidy to improve the quality of life of their citizens. Therefore, it is the public policy of this legislature to encourage new economic activity in these depressed areas of the state by means of reduced taxes and the removal of unnecessary governmental barriers to the production and earnings of wages and profits and the creation of economic growth.

Section 2. As used in this Act, the following terms have the following meanings:

(A) “Authority” means the enterprise zone authority;

(B) “Enterprise Zone” means an area of this state declared by the authority to be eligible for the benefits of this Act;

(C) “Qualified business” means any person, corporation or other entity engaged in the active conduct of a trade or business, limited to the business location within the Enterprise Zone and not extending to related interests or business locations outside the zone:

(1) with at least 50 percent of its employees performing substantially all of their services within an Enterprise Zone; and

(2) with individuals from one or more of the following three categories constituting at least 25 percent of the business’ employees:

(a) residents of an Enterprise Zone;

(b) individuals who have been unemployed for at least the entire year prior to obtaining employment with the business;

(c) individuals who have rejected public assistance benefits, based on need and intended to alleviate poverty for at least the entire year prior to obtaining employment with the business.

(D) “Qualified employee” means:

(1) any tangible personal property located in an Enterprise Zone used predominantly by the taxpayer in the zone in the active conduct of a trade or business; and

(2) any real property located in such zone which:

(a) was used predominantly by the taxpayer in the active conduct of a trade or business; or

(b) was the principal residence of the taxpayer on the date of the sale or exchange.

(3) any interest in a corporation, partnership, or other qualified business entity ending before the date of the sale or exchange.

(D) “Qualified property” means:

(1) any tangible personal property located in an Enterprise Zone used predominantly by the taxpayer in the zone in the active conduct of a trade or business; and

(2) any real property located in such zone which:

(a) was used predominantly by the taxpayer in the active conduct of a trade or business; or

(b) was the principal residence of the taxpayer on the date of the sale or exchange.

(3) any interest in a corporation, partnership, or other qualified business entity ending before the date of the sale or exchange.

(E) “Qualified employee” means any employee who works for a qualified business.
Upon receipt of an application from a city, county or urban county government the
authority shall review the application to determine whether the area or areas described in
the application qualify to be designated an enterprise zone.

The authority shall complete its review within 120 days of receipt of the application,
but may extend this time period an additional 60 days if necessary. If the authority
denies the application, it shall inform the unit of local government of the fact along with
the reasons for the denial.

Section 4. (A) Any area or areas of a city, county or urban county government may be
designated an enterprise zone which:

(1) has a continuous boundary,

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Center for Media and Democracy's quick summary

This anti-regulatory bill would remove worker protections and other regulations in economically depressed areas. These
"enterprise zones" would allegedly promote economic activity "by means of reduced taxes and the removal of unnecessary
governmental barriers . . . ."

This could pave the way for eliminating governmental regulation in all areas.