



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

May 30, 2006

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit:

Senate File 2183, an Act relating to the certification of enterprise zones and incentives and assistance under the enterprise zone program and including effective date and retroactive applicability provisions.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Vilsack".

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





SENATE FILE 2183

AN ACT

RELATING TO THE CERTIFICATION OF ENTERPRISE ZONES AND INCENTIVES AND ASSISTANCE UNDER THE ENTERPRISE ZONE PROGRAM AND INCLUDING EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 15E.192, subsection 2, Code Supplement 2005, is amended to read as follows:

2. A city ~~with a population of twenty-four thousand or more~~ which includes at least three census tracts with at least fifty percent of the population in each census tract located in the city, as shown by the 2000 certified federal census, may create an economic development enterprise zone as authorized in this division, subject to certification by the department of economic development, by designating one or more contiguous census tracts, as determined in the most recent federal census, or designating other geographic units approved by the department of economic development for that purpose. If there is an area in the city which meets the requirements for eligibility for an urban or rural enterprise community under Title XIII of the federal Omnibus Budget Reconciliation Act of 1993, such area shall be designated by the state as an economic development enterprise zone. The area meeting the requirements for eligibility for an urban or rural enterprise community shall not be included for the purpose of determining the area limitation pursuant to subsection 3. In creating an enterprise zone, a city ~~with a population of twenty-four thousand or more~~ which includes at least three census tracts with at least fifty percent of the population in each census

tract located in the city, as shown by the 2000 certified federal census, may designate as part of the area tracts or approved geographic units located in a contiguous city if such tracts or approved geographic units meet the criteria and the city agrees to being included. The city may establish more than one enterprise zone. Reference in this division to "city" means a city with-a-population-of-twenty-four-thousand or-more which includes at least three census tracts with at least fifty percent of the population in each census tract located in the city, as shown by the 2000 certified federal census.

Sec. 2. Section 15E.192, Code Supplement 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. A city may create an economic development enterprise zone as authorized in this division, subject to certification by the department of economic development, by designating up to four square miles of the city for that purpose. In order for an enterprise zone to be certified pursuant to this subsection, an enterprise zone shall meet the distress criteria provided in section 15E.194, subsection 2A. Section 15E.194, subsection 2, shall not apply to an enterprise zone certified pursuant to this subsection. For the fiscal period beginning July 1, 2007, and ending June 30, 2010, each fiscal year a cumulative total of not more than twenty-five million dollars worth of incentives and assistance under section 15E.196, subsections 1, 2, 3, 4, and 6, shall be awarded to eligible businesses applying to an enterprise zone commission for incentives and assistance during that fiscal year that are located in an enterprise zone certified pursuant to this subsection. For purposes of this subsection and section 15E.194, subsection 2A, "city" means a city that includes at least three census tracts, as determined in the most recent federal census.

Sec. 3. Section 15E.192, subsection 3, paragraph b, Code Supplement 2005, is amended to read as follows:

b. A county or city may apply to the department for an area to be certified as an enterprise zone at any time prior to ~~March 17, 2006~~ July 1, 2010. However, the total amount of land designated as enterprise zones under ~~subsections 1 and 2~~ subsection 1, and any other enterprise zones certified by the department, excluding those approved pursuant to subsection 2

and section 15E.194, subsection subsections 2A and 4, shall not exceed in the aggregate one percent of the total county area.

Sec. 4. Section 15E.192, subsection 4, Code Supplement 2005, is amended to read as follows:

4. An enterprise zone designation shall remain in effect for ten years following the date of certification. Prior to the expiration of an enterprise zone designation, a city or county meeting the distress criteria in section 15E.194 may apply for a one-time ten-year extension of the designation. In applying for a one-time ten-year extension of an enterprise zone designation, a city or county may redefine the boundaries of the enterprise zone provided that the redefined enterprise zone meets the applicable distress criteria provided in section 15E.194. Prior to the expiration of an enterprise zone designation, a city or county that is not eligible to designate an enterprise zone but previously designated the enterprise zone pursuant to section 15E.194, Code Supplement 1997, may apply for a one-time extension of the enterprise zone designation to one year following the complete publication of the 2010 federal census. In applying for a one-time extension of the enterprise zone designation, the city or county may redefine the boundaries of the enterprise zone provided that the redefined enterprise zone meets the distress criteria provided in section 15E.194, Code Supplement 1997. The department shall designate by rule the specific date of one year following the complete publication of the 2010 federal census. Any state or local incentives or assistance that may be conferred must be conferred before the designation expires. However, the benefits of the incentive or assistance may continue beyond the expiration.

Sec. 5. Section 15E.193B, subsection 1, Code Supplement 2005, is amended to read as follows:

1. A housing business qualifying under this section is eligible to receive incentives and assistance only as provided in this section. An eligible housing business shall not receive incentives or assistance for a home or multiple dwelling unit built or rehabilitated in an enterprise zone designated pursuant to section 15E.194, subsection 2A or 4. Sections 15E.193 and 15E.196 do not apply to an eligible housing business qualifying under this section.

Sec. 6. Section 15E.194, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. A city may designate an area of up to four square miles to be an enterprise zone if the area is a blighted area as defined in section 403.17 and the area includes or is located within four miles of at least three of the following:

- a. A commercial service airport.
- b. A barge terminal or a navigable waterway.
- c. Entry to a rail line.
- d. Entry to an interstate highway.
- e. Entry to a commercial and industrial highway network as identified pursuant to section 313.2A.

An eligible housing business under section 15E.193B shall not receive incentives or assistance for a home or multiple dwelling unit built or rehabilitated in an enterprise zone designated pursuant to this subsection.

Sec. 7. Section 15E.194, subsection 3, Code 2005, is amended to read as follows:

3. The department of economic development shall certify eligible enterprise zones that meet the requirements of subsection 1 upon request by the county, ~~or~~ subsection 2 upon request by the city, or subsection 2A upon request by the city, as applicable.

Sec. 8. Section 15E.195, subsection 2, Code 2005, is amended to read as follows:

2. A city ~~with a population of twenty-four thousand or more~~ which includes at least three census tracts with at least fifty percent of the population in each census tract located in the city and which designates an enterprise zone pursuant to section 15E.194, subsection 2 or 2A, and in which an eligible enterprise zone is certified shall establish an enterprise zone commission to review applications from qualified businesses located within or requesting to locate within an enterprise zone to receive incentives or assistance as provided in section 15E.196. The enterprise zone commission shall review applications from qualified housing businesses requesting to receive incentives or assistance as provided in section 15E.193B. The commission shall consist of nine members. Six of these members shall consist of one representative of an international labor organization, one

member with economic development expertise chosen by the department of economic development, one representative of the city council, one member of the local community college board of directors, one member of the city planning and zoning commission, and one representative of the local workforce development center. These six members shall select the remaining three members. If the enterprise zone consists of an area meeting the requirements for eligibility for an urban enterprise community under Title XIII of the federal Omnibus Budget Reconciliation Act of 1993, one of the remaining three members shall be a representative of that community. If a city contiguous to the city designating the enterprise zone is included in an enterprise zone, a representative of the contiguous city, chosen by the city council, shall be a member of the commission. A city in which an eligible enterprise zone is certified shall have only one enterprise zone commission. If a city has established an enterprise zone commission prior to July 1, 1998, the city may petition to the department of economic development to change the structure of the existing commission.

Sec. 9. REPORT. By December 31, 2006, the department of economic development shall submit a written report to the general assembly regarding the enterprise zone program and other programs administered by the department. The report shall include an analysis of the impact the enterprise zone program has on the state's economy and the economy of the cities and counties where enterprise zones are and have been located, how the enterprise zone program integrates with other programs administered by the department, whether other programs administered by the department are used to focus assistance on economically distressed areas of the state, and any changes to the enterprise zone program or any other programs administered by the department necessary to better serve the needs of the economically distressed areas of the state.

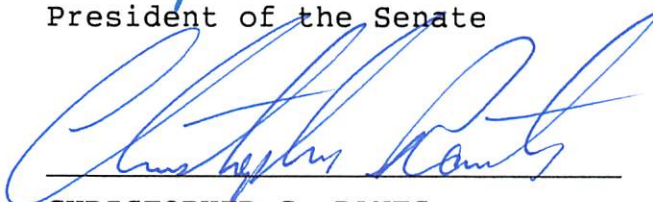
Sec. 10. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

1. The section of this Act amending section 15E.192, subsection 4, being deemed of immediate importance, takes effect upon enactment and applies retroactively to May 14, 1997.

2. The remaining sections of this Act, being deemed of immediate importance, take effect upon enactment and apply retroactively to March 1, 2006.



JEFFREY M. LAMBERTI
President of the Senate



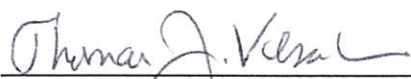
CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2183, Eighty-first General Assembly.



MICHAEL E. MARSHALL
Secretary of the Senate

Approved May 30, 2006



THOMAS J. VILSACK
Governor