

FEB 18 2004
ECONOMIC GROWTH

HOUSE FILE 2312
BY DIX

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the ability of cities and counties to
2 designate enterprise zones.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2312

1 Section 1. Section 15A.1, subsection 5, paragraph c, Code
2 2003, is amended to read as follows:

3 c. The area is located in a city or county that ~~meets-the~~
4 ~~distress-criteria-provided-under-the~~ is designated an
5 enterprise zone ~~program-in~~ pursuant to section 15E.194,
6 ~~subsection-1-or-2.~~

7 Sec. 2. Section 15E.191, Code 2003, is amended to read as
8 follows:

9 15E.191 INTENT.

10 It is the intent of the general assembly that this division
11 be administered in a manner to promote new economic
12 development ~~in-economically-distressed-areas~~ by encouraging
13 communities to target resources in ways that attract
14 productive private investment.

15 Sec. 3. Section 15E.192, subsection 2, Code Supplement
16 2003, is amended to read as follows:

17 2. A city ~~with-a-population-of-twenty-four-thousand-or~~
18 ~~more,as-shown-by-the-2000-certified-federal-census,~~ may
19 create an economic development enterprise zone as authorized
20 in this division, subject to certification by the department
21 of economic development, by designating one or more contiguous
22 census tracts, as determined in the most recent federal
23 census, or designating other geographic units approved by the
24 department of economic development for that purpose. If there
25 is an area in the city which meets the requirements for
26 eligibility for an urban or rural enterprise community under
27 Title XIII of the federal Omnibus Budget Reconciliation Act of
28 1993, such area shall be designated by the state as an
29 economic development enterprise zone. The area meeting the
30 requirements for eligibility for an urban or rural enterprise
31 community shall not be included for the purpose of determining
32 the area limitation pursuant to subsection 3. In creating an
33 enterprise zone, a city ~~with-a-population-of-twenty-four~~
34 ~~thousand-or-more,as-shown-by-the-2000-certified-federal~~
35 ~~census,~~ may designate as part of the area tracts or approved

1 geographic units located in a contiguous city if such tracts
2 or approved geographic units meet the criteria and the city
3 agrees to being included. The city may establish more than
4 one enterprise zone. ~~Reference-in-this-division-to-"city"~~
5 ~~means-a-city-with-a-population-of-twenty-four-thousand-or~~
6 ~~more-as-shown-by-the-2000-certified-federal-census.~~

7 Sec. 4. Section 15E.192, subsection 3, paragraph a, Code
8 Supplement 2003, is amended to read as follows:

9 a. An enterprise zone certified by the department pursuant
10 to subsection 2 shall only be amended if the amendment
11 consists of an area being added to the enterprise zone ~~and-the~~
12 ~~added-area-meets-the-criteria-of-section-15E.194, subsection~~
13 2. An enterprise zone certified by the department pursuant to
14 subsection 1 or 2 may be decertified; however, if a subsequent
15 enterprise zone is designated, the expiration date of the
16 subsequent enterprise zone shall be the same as the expiration
17 date of the decertified enterprise zone. A portion of a
18 certified enterprise zone may be decertified, ~~provided-that~~
19 ~~the-remaining-portion-of-the-certified-enterprise-zone-meets~~
20 ~~the-distress-criteria-provided-in-section-15E.194.~~

21 Sec. 5. Section 15E.194, subsections 1, 2, and 3, Code
22 2003, are amended to read as follows:

23 1. An enterprise zone may be designated by a county which
24 ~~meets-at-least-two-of-the-following-criteria:~~

25 a. ~~---The-county-has-an-average-weekly-wage-that-ranks-among~~
26 ~~the-bottom-twenty-five-counties-in-the-state-based-on-the-2000~~
27 ~~annual-average-weekly-wage-for-employees-in-private-business.~~

28 b. ~~---The-county-has-a-family-poverty-rate-that-ranks-among~~
29 ~~the-top-twenty-five-counties-in-the-state-based-on-the-2000~~
30 ~~census.~~

31 c. ~~---The-county-has-experienced-a-percentage-population-loss~~
32 ~~that-ranks-among-the-top-twenty-five-counties-in-the-state~~
33 ~~between-1995-and-2000.~~

34 d. ~~---The-county-has-a-percentage-of-persons-sixty-five-years~~
35 ~~of-age-or-older-that-ranks-among-the-top-twenty-five-counties~~

1 in-the-state-based-on-the-2000-census.

2 2. An enterprise zone may be designated by a city which
3 meets-at-least-two-of-the-following-criteria:

4 a.--The-area-has-a-per-capita-income-of-twelve-thousand-six
5 hundred-forty-eight-dollars-or-less-based-on-the-2000-census.

6 b.--The-area-has-a-family-poverty-rate-of-twelve-percent-or
7 higher-based-on-the-2000-census.

8 c.--Ten-percent-or-more-of-the-housing-units-are-vacant-in
9 the-area.

10 d.--The-valuations-of-each-class-of-property-in-the
11 designated-area-is-seventy-five-percent-or-less-of-the
12 citywide-average-for-that-classification-based-upon-the-most
13 recent-valuations-for-property-tax-purposes.

14 e.--The-area-is-a-blighted-area,--as-defined-in-section
15 403.17.

16 3. The department of economic development shall certify
17 eligible enterprise zones that-meet-the-requirements-of
18 subsection-1 upon request by the a county or subsection-2-upon
19 request-by-the a city, as-applicable unless certification
20 causes the area limitations of section 15E.192 to be exceeded.

21 Sec. 6. Section 15E.195, subsection 2, Code 2003, is
22 amended to read as follows:

23 2. A city with-a-population-of-twenty-four-thousand-or
24 more which designates an enterprise zone pursuant to section
25 15E.194, subsection 2, and in which an eligible enterprise
26 zone is certified shall establish an enterprise zone
27 commission to review applications from qualified businesses
28 located within or requesting to locate within an enterprise
29 zone to receive incentives or assistance as provided in
30 section 15E.196. The enterprise zone commission shall review
31 applications from qualified housing businesses requesting to
32 receive incentives or assistance as provided in section
33 15E.193B. The enterprise zone commission shall also review
34 applications from qualified development businesses requesting
35 to receive incentives or assistance as provided in section

1 15E.193C. The commission shall consist of nine members. Six
2 of these members shall consist of one representative of an
3 international labor organization, one member with economic
4 development expertise chosen by the department of economic
5 development, one representative of the city council, one
6 member of the local community college board of directors, one
7 member of the city planning and zoning commission, and one
8 representative of the local workforce development center.
9 These six members shall select the remaining three members.
10 If the enterprise zone consists of an area meeting the
11 requirements for eligibility for an urban enterprise community
12 under Title XIII of the federal Omnibus Budget Reconciliation
13 Act of 1993, one of the remaining three members shall be a
14 representative of that community. If a city contiguous to the
15 city designating the enterprise zone is included in an
16 enterprise zone, a representative of the contiguous city,
17 chosen by the city council, shall be a member of the
18 commission. A city in which an eligible enterprise zone is
19 certified shall have only one enterprise zone commission. If
20 a city has established an enterprise zone commission prior to
21 July 1, 1998, the city may petition to the department of
22 economic development to change the structure of the existing
23 commission.

24 EXPLANATION

25 This bill relates to the ability of cities and counties to
26 designate enterprise zones.

27 Currently, only certain cities and counties meeting
28 specific distress criteria may designate enterprise zones
29 under the enterprise zone program. The bill eliminates the
30 distress criteria. The bill also eliminates a limitation that
31 only cities with a population of 24,000 or more may designate
32 an enterprise zone. Enterprise zones designated by both
33 cities and counties cannot, in aggregate, consist of more than
34 1 percent of the total county area.

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