

FEB 2 2016  
ECONOMIC GROWTH

HOUSE FILE 2226  
BY WISE

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the eligibility of cities and counties to  
2 create enterprise zones.

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

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HF 2226

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

3 2. A city with a population of ~~twenty-four~~ ten thousand or  
4 more, as shown by the 2000 certified federal census, may  
5 create an economic development enterprise zone as authorized  
6 in this division, subject to certification by the department  
7 of economic development, by designating one or more contiguous  
8 census tracts, as determined in the most recent federal  
9 census, or designating other geographic units approved by the  
10 department of economic development for that purpose. If there  
11 is an area in the city which meets the requirements for  
12 eligibility for an urban or rural enterprise community under  
13 Title XIII of the federal Omnibus Budget Reconciliation Act of  
14 1993, such area shall be designated by the state as an  
15 economic development enterprise zone. The area meeting the  
16 requirements for eligibility for an urban or rural enterprise  
17 community shall not be included for the purpose of determining  
18 the area limitation pursuant to subsection 3. In creating an  
19 enterprise zone, a city with a population of ~~twenty-four~~ ten  
20 thousand or more, as shown by the 2000 certified federal  
21 census, may designate as part of the area tracts or approved  
22 geographic units located in a contiguous city if such tracts  
23 or approved geographic units meet the criteria and the city  
24 agrees to being included. The city may establish more than  
25 one enterprise zone. Reference in this division to "city"  
26 means a city with a population of ~~twenty-four~~ ten thousand or  
27 more, as shown by the 2000 certified federal census.

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

30 NEW SUBSECTION. 2A. A city or county may create an  
31 economic development enterprise zone as authorized in this  
32 division, subject to certification by the department of  
33 economic development, by designating up to four square miles  
34 of the city or county for that purpose. In order for an  
35 enterprise zone to be certified pursuant to this subsection,

1 an enterprise zone shall meet the distress criteria provided  
2 in section 15E.194, subsection 2A. Section 15E.194,  
3 subsections 1 and 2, shall not apply to an enterprise zone  
4 certified pursuant to this subsection.

5 Sec. 3. Section 15E.194, subsection 2, unnumbered  
6 paragraph 1, Code 2005, is amended to read as follows:

7 An enterprise zone may be designated by a city with a  
8 population of ten thousand or more which meets at least two of  
9 the following criteria:

10 Sec. 4. Section 15E.194, Code 2005, is amended by adding  
11 the following new subsection:

12 NEW SUBSECTION. 2A. A city or county may designate an  
13 area of up to four square miles to be an enterprise zone if  
14 the area meets at least three of the following criteria:

15 a. The area is located within ten miles of a commercial  
16 service airport.

17 b. The area is located within five miles of a barge  
18 terminal or a navigable waterway.

19 c. The area is served by a rail line.

20 d. The area is located within ten miles of an interstate  
21 highway.

22 e. The area is located within a federally designated free  
23 trade zone.

24 Sec. 5. Section 15E.194, subsection 3, Code 2005, is  
25 amended to read as follows:

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

31 Sec. 6. Section 15E.195, subsections 1 and 2, Code 2005,  
32 are amended to read as follows:

33 1. A county which designates an enterprise zone pursuant  
34 to section 15E.194, subsection 1 or 2A, and in which an  
35 eligible enterprise zone is certified shall establish an

1 enterprise zone commission to review applications from  
2 qualified businesses located within or requesting to locate  
3 within an enterprise zone designated pursuant to section  
4 15E.194, subsection 1 or 2A, to receive incentives or  
5 assistance as provided in section 15E.196. The enterprise  
6 zone commission shall also review applications from qualified  
7 housing businesses requesting to receive incentives or  
8 assistance as provided in section 15E.193B. The commission  
9 shall consist of nine members. Five of these members shall  
10 consist of one representative of the board of supervisors, one  
11 member with economic development expertise chosen by the  
12 department of economic development, one representative of the  
13 county zoning board, one member of the local community college  
14 board of directors, and one representative of the local  
15 workforce development center. These five members shall select  
16 the remaining four members. If the enterprise zone consists  
17 of an area meeting the requirements for eligibility for an  
18 urban or rural enterprise community under Title XIII of the  
19 federal Omnibus Budget Reconciliation Act of 1993, one of the  
20 remaining four members shall be a representative of that  
21 community. A county shall have only one enterprise zone  
22 commission to review applications for incentives and  
23 assistance for businesses located within or requesting to  
24 locate within a certified enterprise zone designated pursuant  
25 to section 15E.194, subsection 1 or 2A.

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

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

24

## EXPLANATION

25 This bill relates to the population threshold for cities  
26 establishing enterprise zones and allows the creation of a new  
27 type of enterprise zone within the economic development  
28 enterprise zone program administered by the department of  
29 economic development.

30 The bill provides that cities with a population of 10,000  
31 or more may designate an enterprise zone if certain distress  
32 criteria are met. Currently, the population threshold for  
33 cities is 24,000.

34 The bill provides that any city or county in the state may  
35 create an enterprise zone, subject to certification by the

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1 department, by designating up to four square miles of the city  
2 or county for that purpose. In order to be certified, the  
3 area must be located within 10 miles of a commercial service  
4 airport, be located within five miles of a barge terminal or a  
5 navigable waterway, be served by a rail line, be located  
6 within 10 miles of an interstate highway, or be located within  
7 a federally designated free trade zone.

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