

# House Study Bill 629

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH BILL BY  
CHAIRPERSON HOFFMAN)

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

## A BILL FOR

1 An Act allowing cities to create enterprise zones near modes of  
2 transportation.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 6429HC 81  
5 tm/cf/24

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1 1 Section 1. Section 15E.192, Code Supplement 2005, is  
2 amended by adding the following new subsection:  
1 3 NEW SUBSECTION. 2A. A city may create an economic  
1 4 development enterprise zone as authorized in this division,  
1 5 subject to certification by the department of economic  
1 6 development, by designating up to four square miles of the  
1 7 city for that purpose. In order for an enterprise zone to be  
1 8 certified pursuant to this subsection, an enterprise zone  
1 9 shall meet the distress criteria provided in section 15E.194,  
1 10 subsection 2A. Section 15E.194, subsection 2, shall not apply  
1 11 to an enterprise zone certified pursuant to this subsection.  
1 12 Applications for enterprise zones designated pursuant to this  
1 13 subsection must be received by the department by July 1, 2007.  
1 14 The department shall not certify more than three such  
1 15 enterprise zones.  
1 16 Sec. 2. Section 15E.192, subsection 3, paragraph b, Code  
1 17 Supplement 2005, is amended to read as follows:  
1 18 b. A county or city may apply to the department for an  
1 19 area to be certified as an enterprise zone at any time prior  
1 20 to March 1, 2006. However, the total amount of land  
1 21 designated as enterprise zones under subsections 1 and 2, and  
1 22 any other enterprise zones certified by the department,  
1 23 excluding those approved pursuant to section 15E.194,  
1 24 ~~subsection subsections 2A and 4~~, shall not exceed in the  
1 25 aggregate one percent of the total county area.  
1 26 Sec. 3. Section 15E.193B, subsection 1, Code Supplement  
1 27 2005, is amended to read as follows:  
1 28 1. A housing business qualifying under this section is  
1 29 eligible to receive incentives and assistance only as provided  
1 30 in this section. An eligible housing business shall not  
1 31 receive incentives or assistance for a home or multiple  
1 32 dwelling unit built or rehabilitated in an enterprise zone  
1 33 designated pursuant to section 15E.194, subsection 2A or 4.  
1 34 Sections 15E.193 and 15E.196 do not apply to an eligible  
1 35 housing business qualifying under this section.  
2 1 Sec. 4. Section 15E.194, subsection 2, unnumbered  
2 2 paragraph 1, Code 2005, is amended to read as follows:  
2 3 An enterprise zone may be designated by a city with a  
2 4 population of twenty-four thousand or more which meets at  
2 5 least two of the following criteria:  
2 6 Sec. 5. Section 15E.194, Code 2005, is amended by adding  
2 7 the following new subsection:  
2 8 NEW SUBSECTION. 2A. A city may designate an area of up to  
2 9 four square miles to be an enterprise zone if the area  
2 10 includes or is located within one mile of at least three of  
2 11 the following:  
2 12 a. A commercial service airport.  
2 13 b. A barge terminal or a navigable waterway.  
2 14 c. Entry to a rail line.  
2 15 d. Entry to an interstate highway.  
2 16 e. Entry to a commercial and industrial highway network as  
2 17 identified pursuant to section 313.2A.  
2 18 An eligible housing business under section 15E.193B shall

2 19 not receive incentives or assistance for a home or multiple  
2 20 dwelling unit built or rehabilitated in an enterprise zone  
2 21 designated pursuant to this subsection.  
2 22 Sec. 6. Section 15E.194, subsection 3, Code 2005, is  
2 23 amended to read as follows:  
2 24 3. The department of economic development shall certify  
2 25 eligible enterprise zones that meet the requirements of  
2 26 subsection 1 upon request by the county, ~~or~~ subsection 2 upon  
2 27 request by the city, or subsection 2A upon request by the  
2 28 city, as applicable.

2 29 Sec. 7. Section 15E.195, subsection 2, Code 2005, is  
2 30 amended to read as follows:

2 31 2. ~~A city with a population of twenty-four thousand or~~  
2 32 ~~more~~ which designates an enterprise zone pursuant to section  
2 33 15E.194, subsection 2 or 2A, and in which an eligible  
2 34 enterprise zone is certified shall establish an enterprise  
2 35 zone commission to review applications from qualified  
3 1 businesses located within or requesting to locate within an  
3 2 enterprise zone to receive incentives or assistance as  
3 3 provided in section 15E.196. The enterprise zone commission  
3 4 shall review applications from qualified housing businesses  
3 5 requesting to receive incentives or assistance as provided in  
3 6 section 15E.193B. The commission shall consist of nine  
3 7 members. Six of these members shall consist of one  
3 8 representative of an international labor organization, one  
3 9 member with economic development expertise chosen by the  
3 10 department of economic development, one representative of the  
3 11 city council, one member of the local community college board  
3 12 of directors, one member of the city planning and zoning  
3 13 commission, and one representative of the local workforce  
3 14 development center. These six members shall select the  
3 15 remaining three members. If the enterprise zone consists of  
3 16 an area meeting the requirements for eligibility for an urban  
3 17 enterprise community under Title XIII of the federal Omnibus  
3 18 Budget Reconciliation Act of 1993, one of the remaining three  
3 19 members shall be a representative of that community. If a  
3 20 city contiguous to the city designating the enterprise zone is  
3 21 included in an enterprise zone, a representative of the  
3 22 contiguous city, chosen by the city council, shall be a member  
3 23 of the commission. A city in which an eligible enterprise  
3 24 zone is certified shall have only one enterprise zone  
3 25 commission. If a city has established an enterprise zone  
3 26 commission prior to July 1, 1998, the city may petition to the  
3 27 department of economic development to change the structure of  
3 28 the existing commission.

#### 3 29 EXPLANATION

3 30 This bill allows the creation of a new type of enterprise  
3 31 zone within the economic development enterprise zone program  
3 32 administered by the department of economic development.  
3 33 The bill provides that any city in the state may create an  
3 34 enterprise zone, subject to certification by the department,  
3 35 by designating up to four square miles of the city for that  
4 1 purpose. In order to be certified, the area must include or  
4 2 be located within one mile of three of the following: a  
4 3 commercial service airport, a barge terminal or a navigable  
4 4 waterway, entry to a rail line, entry to an interstate  
4 5 highway, or entry to a commercial and industrial highway  
4 6 network. The bill provides that applications for such  
4 7 enterprise zones must be received by the department by July 1,  
4 8 2007, and the department shall not certify more than three  
4 9 such enterprise zones. The bill provides that eligible  
4 10 housing businesses cannot receive incentives or assistance for  
4 11 a home or multiple dwelling unit built or rehabilitated in  
4 12 such an enterprise zone and such enterprise zones are excluded  
4 13 from the calculation to determine whether the aggregate 1  
4 14 percent of the total county area limit has been exceeded.  
4 15 LSB 6429HC 81  
4 16 tm:rj/cf/24