
HOUSE BILL No. 1305

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-6.1-3; IC 4-4-6.1-4.

Synopsis: Enterprise zones for small communities. Provides for enterprise zones for municipalities that are unable to meet the minimum population requirements of the zone and have a population of less than 5,000. Requires that: (1) at least 50% of the zone must be within the limits of the municipality; (2) the total area of the zone must be less than either three square miles or 25% of the area of the municipality; (3) any zone containing an area that is outside the limits of the municipality must be approved through the adoption of a resolution by the legislative bodies of the municipality and the county;
(Continued next page)

Effective: July 1, 1998.

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January 13, 1998, read first time and referred to Committee on Ways and Means.

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(4) the proposed zone must be contiguous with the municipality by the greater of: (A) 25% of the aggregate external boundaries of the part of the proposed zone located outside the corporate limits of the municipality; or (B) 150 feet; and (5) the area of the proposed zone must be within the zoning jurisdiction of the municipality as determined by statute. Provides for a representative of the county legislative body to serve on the urban enterprise association for the zone.

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Introduced

Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

HOUSE BILL No. 1305

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-6.1-3, AS AMENDED BY P.L.26-1995,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 1998]: Sec. 3. (a) The board may designate up to ten (10)
4 enterprise zones, in addition to any enterprise zones which the federal
5 government may designate in the state. After January 1, 1988, the
6 board may by seven (7) affirmative votes increase the number of
7 enterprise zones above ten (10), but it may add no more than two (2)
8 new zones each year and may not add any new zones after December
9 31, 2003. There may be no more than one (1) enterprise zone in any
10 municipality.

11 (b) After approval by resolution of the legislative body, the
12 executive of any municipality that is not an included town under
13 IC 36-3-1-7 may submit one (1) application to the enterprise zone
14 board to have one (1) portion of the municipality designated as an
15 enterprise zone. If an application is denied, the executive may submit

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1 a new application. The board by rule shall provide application
2 procedures.

3 (c) The board shall evaluate an enterprise zone application, if it
4 finds that the following threshold criteria exist in a proposed zone:

5 (1) A poverty level in which twenty-five percent (25%) of the
6 households in the zone are below the poverty level as established
7 by the most recent United States census or an average rate of
8 unemployment for the most recent eighteen (18) month period for
9 which data is available that is at least one and one-half (1 1/2)
10 times the average statewide rate of unemployment for the same
11 eighteen (18) month period.

12 **(2) Except for a municipality described in subdivision (3), the**
13 **proposed zone must have** a population of more than two
14 thousand (2,000) but less than eight thousand (8,000), **and the**
15 **proposed zone must comprise**

16 ~~(3)~~ an area of more than three-fourths (3/4) square mile but less
17 than three (3) square miles, with a continuous boundary (using
18 natural, street, or highway barriers when possible) entirely within
19 the applicant municipality. However, if the zone includes a parcel
20 of property that:

21 (A) is owned by the municipality; and

22 (B) has an area of twenty-five (25) acres or more;

23 the area of the zone may be increased above the three (3) square
24 mile limitation by an amount not to exceed the area of the
25 municipally owned parcel.

26 **(3) A municipality that is unable to satisfy the population**
27 **requirements for a proposed zone described in subdivision (2)**
28 **and that has a population of less than five thousand (5,000)**
29 **must meet the following criteria for a proposed zone:**

30 **(A) At least fifty percent (50%) of the zone must be within**
31 **the corporate limits of the municipality.**

32 **(B) The total area of the zone must be within or contiguous**
33 **to the applicant municipality and be less than:**

34 **(i) three (3) square miles; or**

35 **(ii) twenty-five percent (25%) of the area of the**
36 **municipal applicant.**

37 **(C) A proposed zone that contains an area outside the**
38 **corporate limits of the municipality must be approved by**
39 **the adoption of a resolution of the legislative bodies of the**
40 **municipality and the county.**

41 **(D) The part of a proposed zone outside the corporate**
42 **limits of the municipality must be contiguous with the**

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municipality by the greater of:
(i) twenty-five percent (25%) of the aggregate external boundaries of the part of the proposed zone located outside the corporate limits of the municipality; or
(ii) one hundred fifty (150) feet.
(E) The area of the proposed zone must be within the zoning jurisdiction of the municipality as determined under IC 36-7-4-205.

- (4) Property suitable for the development of a mix of commercial, industrial, and residential activities.
- (5) The appointment of an urban enterprise association that meets the requirements of section 4 of this chapter.
- (6) A statement by the applicant indicating its willingness to provide certain specified economic development incentives.
- (d) If an applicant has met the threshold criteria of subsection (c), the board shall evaluate the application, arrive at a decision based on the following factors, and either designate a zone or reject the application:
 - (1) Level of poverty, unemployment, and general distress of the area in comparison to other applicant and nonapplicant municipalities and the expression of need for an enterprise zone over and above the threshold criteria contained in subsection (c).
 - (2) Evidence of support for designation by residents, businesses, and private organizations in the proposed zone, and the demonstration of a willingness among those zone constituents to participate in zone area revitalization.
 - (3) Efforts by the applicant municipality to reduce the impediments to development in the zone area where necessary, including but not limited to the following:
 - (A) A procedure for streamlining local government regulations and permit procedures.
 - (B) Crime prevention activities involving zone residents.
 - (C) A plan for infrastructure improvements capable of supporting increased development activity.
 - (4) Significant efforts to encourage the reuse of existing zone structures in new development activities to preserve the existing character of the neighborhood, where appropriate.
 - (5) The proposed managerial structure of the zone and the capacity of the urban enterprise association to carry out the goals and purposes of this chapter.
- (e) An enterprise zone expires ten (10) years from the day on which it is designated by the board. The two (2) year period immediately

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1 before the day on which it expires is the phase-out period. During the
 2 phase-out period, the board may review the success of the enterprise
 3 zone based upon the following criteria and may, with the consent of the
 4 budget committee, renew the zone, including all provisions of this
 5 chapter, for a period of five (5) years:

- 6 (1) Increases in capital investment in the zone.
 7 (2) Retention of jobs and creation of jobs in the zone.
 8 (3) Increases in employment opportunities for residents of the
 9 zone.

10 (f) If an enterprise zone is renewed under subsection (e), the two (2)
 11 year period immediately before the date on which the zone expires is
 12 another phase-out period. During the phase-out period, the board may
 13 review the success of the enterprise zone based upon the criteria set
 14 forth in subsection (e) and, with the consent of the budget committee,
 15 may again renew the zone, including all provisions of this chapter, for
 16 a final period of five (5) years. The zone may not be renewed after the
 17 expiration of this final five (5) year period.

18 (g) Notwithstanding any other provision of this chapter, one (1) or
 19 more units (as defined in IC 36-1-2-23) may declare all or any part of
 20 a military base or other military installation that is inactive, closed, or
 21 scheduled for closure as an enterprise zone. Such a declaration shall be
 22 made by a resolution of the legislative body of the unit that contains the
 23 geographic area being declared an enterprise zone. The legislative body
 24 must include in the resolution that an urban enterprise association is
 25 created or designate another entity to function as the urban enterprise
 26 association under this chapter. The resolution must also be approved
 27 by the executive of the unit. If the resolution is approved, the executive
 28 shall file the resolution and the executive's approval with the board. If
 29 an entity other than an urban enterprise association is designated to
 30 function as an urban enterprise association, the entity's acceptance must
 31 be filed with the board along with the resolution. The enterprise zone
 32 designation is effective on the first day of the month following the date
 33 the resolution is filed with the board. Establishment of an enterprise
 34 zone under this subsection is not subject to the limit of two (2) new
 35 enterprise zones each year under subsection (a).

36 SECTION 2. IC 4-4-6.1-4, AS AMENDED BY P.L.9-1994,
 37 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 1998]: Sec. 4. (a) There is created in each applicant for
 39 designation as an enterprise zone and in each enterprise zone an urban
 40 enterprise association, referred to as the U.E.A. in this chapter. Its
 41 ~~twelve (12)~~ members are to be chosen as follows:

- 42 (1) The governor shall appoint the following:



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- 1 (A) One (1) state legislator whose district includes all or part
2 of the enterprise zone.
- 3 (B) One (1) representative of the state department of
4 commerce, who is not a voting member of the U.E.A.
- 5 (2) The executive of the municipality in which the zone is located
6 shall appoint the following:
- 7 (A) One (1) representative of the plan commission having
8 jurisdiction over the zone, if any exists.
- 9 (B) One (1) representative of the municipality's department
10 that performs planning or economic development functions.
- 11 (C) Two (2) representatives of businesses located in the zone,
12 one (1) of which shall be from a manufacturing concern, if any
13 exists in the zone.
- 14 (D) One (1) resident of the zone.
- 15 (E) One (1) representative of organized labor from the
16 building trades that represent construction workers.
- 17 (3) The legislative body of the municipality in which the zone is
18 located shall appoint, by majority vote, the following:
- 19 (A) One (1) member of the municipality's legislative body
20 whose district includes all or part of the zone.
- 21 (B) One (1) representative of a business located in the zone.
- 22 (C) Two (2) residents of the zone, who must not be members
23 of the same political party.
- 24 **(4) For zones meeting the criteria of section 3(c)(3) of this**
25 **chapter, the legislative body of a county shall appoint, by a**
26 **majority vote, one (1) member of the county legislative body.**
- 27 (b) Members of the urban enterprise association serve four (4) year
28 terms. The appointing authority shall fill any vacancy for the balance
29 of the vacated term.
- 30 (c) Members may be dismissed only by the appointing authority and
31 only for just cause.
- 32 (d) The members shall elect a chairman, a vice chairman, and a
33 secretary by majority vote. This election shall be held every two (2)
34 years in the same month as the first meeting or whenever a vacancy
35 occurs. The U.E.A. shall meet at least once every three (3) months. The
36 secretary shall notify members of meetings at least two (2) weeks in
37 advance of meetings. The secretary shall provide a list of members to
38 each member and shall notify members of any changes in membership.
- 39 (e) If an applicant for designation as an enterprise zone does not
40 receive that designation, the U.E.A. in that municipality is dissolved
41 when the application is rejected.

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