



February 19, 1999

HOUSE BILL No. 1341

DIGEST OF HB 1341 (Updated February 17, 1999 7:34 pm - DI 92)

Citations Affected: IC 4-4; noncode.

Synopsis: Enterprise zones. Increases the maximum permissible population of an enterprise zone from 8,000 to 10,500. Increases the maximum permissible area of an enterprise zone from three square miles to four square miles. Provides that the enterprise zone board may not approve the enlargement of an enterprise zone's geographic boundaries unless the area to be enlarged meets certain criteria of economic distress. Permits the enterprise zone board to review the success of an enterprise zone and to expand the boundaries of the zone after the zone's final phase-out period. (Current law permits such reviews only during specified phase-out periods.)

Effective: Upon passage.

Kromkowski, Buell, Bauer, Kruse

January 12, 1999, read first time and referred to Committee on Ways and Means.
February 18, 1999, amended, reported — Do Pass.

HB 1341—LS 7128/DI 44+



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February 19, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

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HOUSE BILL No. 1341

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

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

- 1 SECTION 1. IC 4-4-6.1-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The board
3 may designate up to ten (10) enterprise zones, in addition to any
4 enterprise zones which the federal government may designate in the
5 state. After January 1, 1988, the board may by seven (7) affirmative
6 votes increase the number of enterprise zones above ten (10), but it
7 may add no more than two (2) new zones each year and may not add
8 any new zones after December 31, 2003. There may be no more than
9 one (1) enterprise zone in any municipality.
- 10 (b) After approval by resolution of the legislative body, the
11 executive of any municipality that is not an included town under
12 IC 36-3-1-7 may submit one (1) application to the enterprise zone
13 board to have one (1) portion of the municipality designated as an
14 enterprise zone. If an application is denied, the executive may submit
15 a new application. The board by rule shall provide application
16 procedures.
- 17 (c) The board shall evaluate an enterprise zone application, if it

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- 1 finds that the following threshold criteria exist in a proposed zone:
 2 (1) A poverty level in which twenty-five percent (25%) of the
 3 households in the zone are below the poverty level as established
 4 by the most recent United States census or an average rate of
 5 unemployment for the most recent eighteen (18) month period for
 6 which data is available that is at least one and one-half (1 1/2)
 7 times the average statewide rate of unemployment for the same
 8 eighteen (18) month period.
 9 (2) A population of more than two thousand (2,000) but less than
 10 **eight ten thousand five hundred (8,000): (10,500).**
 11 (3) An area of more than three-fourths (3/4) square mile but less
 12 than ~~three (3)~~ **four (4)** square miles, with a continuous boundary
 13 (using natural, street, or highway barriers when possible) entirely
 14 within the applicant municipality. However, if the zone includes
 15 a parcel of property that:
 16 (A) is owned by the municipality; and
 17 (B) has an area of twenty-five (25) acres or more;
 18 the area of the zone may be increased above the ~~three (3)~~ **four (4)**
 19 square mile limitation by an amount not to exceed the area of the
 20 municipally owned parcel.
 21 (4) Property suitable for the development of a mix of commercial,
 22 industrial, and residential activities.
 23 (5) The appointment of an urban enterprise association that meets
 24 the requirements of section 4 of this chapter.
 25 (6) A statement by the applicant indicating its willingness to
 26 provide certain specified economic development incentives.
 27 (d) If an applicant has met the threshold criteria of subsection (c),
 28 the board shall evaluate the application, arrive at a decision based on
 29 the following factors, and either designate a zone or reject the
 30 application:
 31 (1) Level of poverty, unemployment, and general distress of the
 32 area in comparison to other applicant and nonapplicant
 33 municipalities and the expression of need for an enterprise zone
 34 over and above the threshold criteria contained in subsection (c).
 35 (2) Evidence of support for designation by residents, businesses,
 36 and private organizations in the proposed zone, and the
 37 demonstration of a willingness among those zone constituents to
 38 participate in zone area revitalization.
 39 (3) Efforts by the applicant municipality to reduce the
 40 impediments to development in the zone area where necessary,
 41 including but not limited to the following:
 42 (A) A procedure for streamlining local government regulations

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- 1 and permit procedures.
- 2 (B) Crime prevention activities involving zone residents.
- 3 (C) A plan for infrastructure improvements capable of
- 4 supporting increased development activity.
- 5 (4) Significant efforts to encourage the reuse of existing zone
- 6 structures in new development activities to preserve the existing
- 7 character of the neighborhood, where appropriate.
- 8 (5) The proposed managerial structure of the zone and the
- 9 capacity of the urban enterprise association to carry out the goals
- 10 and purposes of this chapter.
- 11 (e) An enterprise zone expires ten (10) years from the day on which
- 12 it is designated by the board. The two (2) year period immediately
- 13 before the day on which it expires is the phase-out period. During the
- 14 phase-out period, the board may review the success of the enterprise
- 15 zone based upon the following criteria and may, with the consent of the
- 16 budget committee, renew the zone, including all provisions of this
- 17 chapter, for a period of five (5) years:
- 18 (1) Increases in capital investment in the zone.
- 19 (2) Retention of jobs and creation of jobs in the zone.
- 20 (3) Increases in employment opportunities for residents of the
- 21 zone.
- 22 (f) If an enterprise zone is renewed under subsection (e), the two (2)
- 23 year period immediately before the date on which the zone expires is
- 24 another phase-out period. During the phase-out period, the board may
- 25 review the success of the enterprise zone based upon the criteria set
- 26 forth in subsection (e) and, with the consent of the budget committee,
- 27 may again renew the zone, including all provisions of this chapter, for
- 28 a final period of five (5) years. The zone may not be renewed after the
- 29 expiration of this final five (5) year period.
- 30 (g) Notwithstanding any other provision of this chapter, one (1) or
- 31 more units (as defined in IC 36-1-2-23) may declare all or any part of
- 32 a military base or other military installation that is inactive, closed, or
- 33 scheduled for closure as an enterprise zone. Such a declaration shall be
- 34 made by a resolution of the legislative body of the unit that contains the
- 35 geographic area being declared an enterprise zone. The legislative body
- 36 must include in the resolution that an urban enterprise association is
- 37 created or designate another entity to function as the urban enterprise
- 38 association under this chapter. The resolution must also be approved
- 39 by the executive of the unit. If the resolution is approved, the executive
- 40 shall file the resolution and the executive's approval with the board. If
- 41 an entity other than an urban enterprise association is designated to
- 42 function as an urban enterprise association, the entity's acceptance must

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1 be filed with the board along with the resolution. The enterprise zone
2 designation is effective on the first day of the month following the date
3 the resolution is filed with the board. Establishment of an enterprise
4 zone under this subsection is not subject to the limit of two (2) new
5 enterprise zones each year under subsection (a).

6 **(h) The enterprise zone board may not approve the enlargement**
7 **of an enterprise zone's geographic boundaries unless the area to be**
8 **enlarged meets the criteria of economic distress set forth in**
9 **subsection (c)(1).**

10 SECTION 2. [EFFECTIVE UPON PASSAGE] (a)
11 **Notwithstanding IC 4-4-6.1-3(f), the enterprise zone board may at**
12 **any time after the two (2) year phase-out period described in**
13 **IC 4-4-6.1-3(f) review the success of an enterprise zone based upon**
14 **the criteria set forth in IC 4-4-6.1-3(e) and, with the consent of the**
15 **budget committee, may approve an enlargement of the zone**
16 **boundaries consistent with the population and geographic**
17 **limitations in IC 4-4-6.1-3(c)(2) and IC 4-4-6.1-3(c)(3), both as**
18 **amended by this act. In approving an enlargement of zone**
19 **boundaries under this SECTION, the enterprise zone board must**
20 **consider the recommendations of the urban enterprise association.**

21 (b) A decision by the enterprise zone board to expand the
22 geographic boundaries of a zone under this SECTION does not
23 extend the expiration date for the zone under IC 4-4-6.1-3(f).

24 (c) The enterprise zone board may not approve the enlargement
25 of an enterprise zone's geographic boundaries under this
26 SECTION unless the area to be enlarged meets the criteria of
27 economic distress set forth in IC 4-4-6.1-3(c)(1).

28 (d) This SECTION expires July 1, 2000.

29 SECTION 3. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1341, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, between lines 5 and 6, begin a new paragraph and insert:

"(h) The enterprise zone board may not approve the enlargement of an enterprise zone's geographic boundaries unless the area to be enlarged meets the criteria of economic distress set forth in subsection (c)(1)."

Page 4, between lines 19 and 20, begin a new paragraph and insert:

"(c) The enterprise zone board may not approve the enlargement of an enterprise zone's geographic boundaries under this SECTION unless the area to be enlarged meets the criteria of economic distress set forth in IC 4-4-6.1-3(c)(1)."

Page 4, line 20, delete "(c)" and insert "(d)".

and when so amended that said bill do pass.

(Reference is to HB 1341 as introduced.)

BAUER, Chair

Committee Vote: yeas 24, nays 0.

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