

SENATE BILL No. 588

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-6.1.

Synopsis: Enterprise zones. 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; (4) the proposed zone must be contiguous with the municipality by the greater of: (A) one-fourth of the aggregate external boundaries of the portion of the proposed zone
(Continued next page)

Effective: July 1, 1999.

Wolf

January 21, 1999, read first time and referred to Committee on Planning and Economic Development.

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Digest Continued

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

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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SENATE BILL No. 588



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 JULY 1, 1999]: Sec. 3. (a) The board may
3 designate up to ten (10) enterprise zones, in addition to any enterprise
4 zones which the federal government may designate in the state. After
5 January 1, 1988, the board may by seven (7) affirmative votes increase
6 the number of enterprise zones above ten (10), but it may add no more
7 than two (2) new zones each year and may not add any new zones after
8 December 31, 2003. There may be no more than one (1) enterprise
9 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



- 1 procedures.
- 2 (c) The board shall evaluate an enterprise zone application, if it
- 3 finds that the following threshold criteria exist in a proposed zone:
- 4 (1) A poverty level in which twenty-five percent (25%) of the
- 5 households in the zone are below the poverty level as established
- 6 by the most recent United States census or an average rate of
- 7 unemployment for the most recent eighteen (18) month period for
- 8 which data is available that is at least one and one-half (1 1/2)
- 9 times the average statewide rate of unemployment for the same
- 10 eighteen (18) month period.
- 11 **(2) Except for a municipality described in subdivision (3), the**
- 12 **proposed zone must have** a population of more than two
- 13 thousand (2,000) but less than eight thousand (8,000),
- 14 **(3) and the proposed zone must comprise** an area of more than
- 15 three-fourths (3/4) square mile but less than three (3) square
- 16 miles, with a continuous boundary (using natural, street, or
- 17 highway barriers when possible) entirely within the applicant
- 18 municipality. However, if the zone includes a parcel of property
- 19 that:
- 20 (A) is owned by the municipality; and
- 21 (B) has an area of twenty-five (25) acres or more;
- 22 the area of the zone may be increased above the three (3) square
- 23 mile limitation by an amount not to exceed the area of the
- 24 municipally owned parcel.
- 25 **(3) A municipality that is unable to satisfy the population**
- 26 **requirements for a proposed zone described in subdivision (2)**
- 27 **and that has a population of less than five thousand (5,000)**
- 28 **must meet the following criteria for a proposed zone:**
- 29 (A) **At least fifty percent (50%) of the zone must be within**
- 30 **the corporate limits of the municipality.**
- 31 (B) **The total area of the zone must be within or contiguous**
- 32 **to the applicant municipality and be less than:**
- 33 (i) **three (3) square miles; or**
- 34 (ii) **twenty-five percent (25%) of the area of the**
- 35 **municipal applicant.**
- 36 (C) **A proposed zone that contains an area outside the**
- 37 **corporate limits of the municipality must be approved by**
- 38 **the adoption of a resolution of the legislative bodies of the**
- 39 **municipality and the county.**
- 40 (D) **The part of a proposed zone outside the corporate**
- 41 **limits of the municipality must be contiguous with the**
- 42 **municipality by the greater of:**



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- (i) one-fourth (1/4) 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 before the day on which it expires is the phase-out period. During the

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

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

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

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

35 SECTION 2. IC 4-4-6.1-4 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) There is created
 37 in each applicant for designation as an enterprise zone and in each
 38 enterprise zone an urban enterprise association, referred to as the
 39 U.E.A. in this chapter. Its ~~twelve (12)~~ members are to be chosen as
 40 follows:

- 41 (1) The governor shall appoint the following:
- 42 (A) One (1) state legislator whose district includes all or part



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

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