



January 29, 2016

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## HOUSE BILL No. 1213

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DIGEST OF HB 1213 (Updated January 27, 2016 5:15 pm - DI 113)

**Citations Affected:** IC 5-28.

**Synopsis:** Enterprise zones. Provides that the fiscal body of a municipality may adopt a resolution renewing an enterprise zone for an additional five years after the date on which the enterprise zone is set to expire. Provides that new municipal enterprise zones may not be added after December 31, 2020. (Under current law, the board of the Indiana economic development corporation may no longer add any new municipal enterprise zones.) Provides that all enterprise zones expire and must be phased out by December 31, 2030.

**Effective:** January 1, 2016 (retroactive); July 1, 2016.

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## Dermody, GiaQuinta, Truitt, Smaltz

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January 11, 2016, read first time and referred to Committee on Commerce, Small Business and Economic Development.

January 21, 2016, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

January 28, 2016, reported — Do Pass.

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HB 1213—LS 6836/DI 58





January 29, 2016

Second Regular Session of the 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

## HOUSE BILL No. 1213

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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 5-28-15-9, AS ADDED BY P.L.4-2005, SECTION  
2 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2016 (RETROACTIVE)]: Sec. 9. (a) The board may  
4 designate up to ten (10) enterprise zones, in addition to any enterprise  
5 zones the federal government may designate in Indiana. The board may  
6 by seven (7) affirmative votes increase the number of enterprise zones  
7 above ten (10), but it may not add more than two (2) new zones each  
8 year (excluding any zone that may be added by the board in a  
9 municipality in which a previously designated zone has expired) and  
10 may not add any new zones after December 31, ~~2015~~. **2020**. There may  
11 not be more than one (1) enterprise zone in any municipality.

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

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

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

10 (2) A population of more than two thousand (2,000) but less than  
11 ten thousand five hundred (10,500).

12 (3) An area of more than three-fourths (3/4) of a square mile but  
13 less than four (4) square miles, with a continuous boundary (using  
14 natural, street, or highway barriers when possible) entirely within  
15 the applicant municipality. However, if the zone includes a parcel  
16 of property that:

17 (A) is owned by the municipality; and

18 (B) has an area of at least twenty-five (25) acres;

19 the area of the zone may be increased above the four (4) square  
20 mile limitation by an amount not to exceed the area of the  
21 municipally owned parcel.

22 (4) Property suitable for the development of a mix of commercial,  
23 industrial, and residential activities.

24 (5) The appointment of a U.E.A. that meets the requirements of  
25 section 13 of this chapter.

26 (6) A statement by the applicant indicating its willingness to  
27 provide certain specified economic development incentives.

28 (d) If an applicant has met the threshold criteria of subsection (c),  
29 the board shall evaluate the application, arrive at a decision based on  
30 the following factors, and either designate a zone or reject the  
31 application:

32 (1) Level of poverty, unemployment, and general distress of the  
33 area in comparison with other applicant and nonapplicant  
34 municipalities and the expression of need for an enterprise zone  
35 over and above the threshold criteria of subsection (c).

36 (2) Evidence of support for designation by residents, businesses,  
37 and private organizations in the proposed zone, and the  
38 demonstration of a willingness among those zone constituents to  
39 participate in zone area revitalization.

40 (3) Efforts by the applicant municipality to reduce the  
41 impediments to development in the zone area where necessary,  
42 including but not limited to the following:



- 1 (A) A procedure for streamlining local government regulations  
 2 and permit procedures.  
 3 (B) Crime prevention activities involving zone residents.  
 4 (C) A plan for infrastructure improvements capable of  
 5 supporting increased development activity.  
 6 (4) Significant efforts to encourage the reuse of existing zone  
 7 structures in new development activities to preserve the existing  
 8 character of the neighborhood, where appropriate.  
 9 (5) The proposed managerial structure of the zone and the  
 10 capacity of the U.E.A. to carry out the goals and purposes of this  
 11 chapter.

12 SECTION 2. IC 5-28-15-10, AS AMENDED BY P.L.1-2010,  
 13 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JANUARY 1, 2016 (RETROACTIVE)]: Sec. 10. (a) Subject to  
 15 subsection (b), an enterprise zone expires ten (10) years after the day  
 16 on which it is designated by the board.

17 (b) ~~In the period beginning December 1, 2008, and ending~~  
 18 ~~December 31, 2014, Subject to subsection (e),~~ an enterprise zone does  
 19 not expire under this section if the fiscal body of the municipality in  
 20 which the enterprise zone is located adopts a resolution renewing the  
 21 enterprise zone for an additional five (5) years. An enterprise zone may  
 22 be renewed under this subsection regardless of the number of times the  
 23 enterprise zone has been renewed under subsections (c) and (d). A  
 24 municipal fiscal body may adopt a renewal resolution and submit a  
 25 copy of the resolution to the board

26 ~~(1) before August 1, 2009, in the case of an enterprise zone that~~  
 27 ~~expired after November 30, 2008, or is scheduled to expire before~~  
 28 ~~September 1, 2009; or~~

29 ~~(2) at least thirty (30) days before the expiration date of the~~  
 30 ~~enterprise zone. in the case of an enterprise zone scheduled to~~  
 31 ~~expire after August 31, 2009.~~

32 ~~If an enterprise zone is renewed under this subsection after having been~~  
 33 ~~renewed under subsection (d), the enterprise zone may not be renewed~~  
 34 ~~after the expiration of this final five (5) year period:~~

35 (c) The two (2) year period immediately before the day on which the  
 36 enterprise zone expires is the phaseout period. During the phaseout  
 37 period, the board may review the success of the enterprise zone based  
 38 on the following criteria and may, with the consent of the budget  
 39 committee, renew the enterprise zone, including all provisions of this  
 40 chapter, for five (5) years:

- 41 (1) Increases in capital investment in the zone.  
 42 (2) Retention of jobs and creation of jobs in the zone.



1           (3) Increases in employment opportunities for residents of the  
2           zone.

3           (d) If an enterprise zone is renewed under subsection (c), the two (2)  
4           year period immediately before the day on which the enterprise zone  
5           expires is another phaseout period. During the phaseout period, the  
6           board may review the success of the enterprise zone based on the  
7           criteria set forth in subsection (c) and, with the consent of the budget  
8           committee, may again renew the enterprise zone, including all  
9           provisions of this chapter, for a final period of five (5) years. The zone  
10          may not be renewed after the expiration of this final five (5) year  
11          period.

12          **(e) An enterprise zone may not be renewed for a period that**  
13          **extends past December 31, 2030. All phaseout periods must be**  
14          **completed by December 31, 2030.**

15          SECTION 3. IC 5-28-15-18 IS ADDED TO THE INDIANA CODE  
16          AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
17          1, 2016]: **Sec. 18. This chapter expires December 31, 2030.**

18          SECTION 4. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Small Business and Economic Development, to which was referred House Bill 1213, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1213 as introduced.)

SMALTZ

Committee Vote: Yeas 13, Nays 0

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1213, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB1213 as printed January 22, 2016.)

BROWN T

Committee Vote: Yeas 17, Nays 0

