

**469.168 ELIGIBILITY REQUIREMENTS.**

Subdivision 1. **Generally.** An area is eligible for designation if each of the requirements set forth in subdivisions 2 to 4 are met.

Subd. 2. **Boundaries; vacant land.** The boundary of the zone or each subdivision of the zone must be continuous and the area must include vacant or underutilized lands or buildings.

Subd. 3. **Acreage; market value.** The area of the zone must be less than 400 acres. The total market value of the taxable property contained in the zone at the time of application must be less than \$100,000 per acre or \$300,000 per acre for an area located wholly within a first class city. A zone which is located in a city of the third or fourth class may be divided into two to four separate subdivisions which need not be contiguous with each other. Each subdivision must contain not less than 100 acres. The restrictions provided by this paragraph shall not apply to areas designated pursuant to subdivision 4, paragraph (b) or (c).

Subd. 4. **Area characteristics.** The area must meet the requirements of paragraph (a), (b), or (c).

(a) The proposed zone is located within an economic hardship area, as established by meeting two or more of the following criteria:

(1) the percentage of residential housing units within the area which are substandard is 15 percent or greater under criteria prescribed by the commissioner using data collected by the Bureau of the Census or data submitted by the municipality and approved by the commissioner;

(2) the percentage of households within the area that fall below the poverty level, as determined by the United States Census Bureau, is 20 percent or greater;

(3) (i) the total market value of commercial and industrial property in the area has declined over three of the preceding five years, or (ii) the total market value of all property in the area has declined or has increased less than 10.5 percent over the preceding three-year period;

(4) for the last full year for which data is available, the per capita income in the area was 90 percent or less of the per capita income for the state, excluding standard metropolitan statistical areas, or for the standard metropolitan statistical area if the area is located in a standard metropolitan statistical area;

(5)(i) the current rate of unemployment in the area is at least 120 percent of the statewide average unemployment for the last 12-month period for which verifiable figures are available, or (ii) the total number of employment positions has declined by at least ten percent during the last 18 months.

For purposes of this paragraph, an economic hardship area must have a population under the most recent federal decennial census of at least (1) 4,000 if any of the area is located wholly or partly within a standard metropolitan statistical area, or (2) 2,500 for an area located outside of a standard metropolitan statistical area; except that (1) no minimum population is required in the case of an area located in an Indian reservation, and (2) in the case of two or more cities seeking designation of an enterprise zone under a joint exercise of power pursuant to section 471.59, the minimum population required by this provision shall not exceed the sum of the populations of those cities. A zone qualifying under this paragraph is referred to in sections 469.166 to 469.173 as a "hardship area zone."

(b) The area is so designated under federal legislation providing for federal tax benefits to investors, employers, or employees in enterprise zones. A zone qualifying under this paragraph is referred to in sections 469.166 to 469.173 as a "federally designated zone."

(c) The area consists of a statutory or home rule charter city with a contiguous border with a city in another state or with a contiguous border with a city in Minnesota which has a contiguous border with a city in another state and the area is determined by the commissioner to be economically or fiscally distressed. An area designated under this paragraph is referred to in sections 469.166 to 469.173 as a "border city zone."

**History:** 1987 c 291 s 169