

CHAMBER ACTION

1 The Finance & Tax Committee recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to community redevelopment agencies;
7 amending s. 163.387, F.S.; revising provisions relating to
8 the funding of redevelopment trust funds applicable to
9 certain community redevelopment agencies; authorizing
10 alternative tax increment financing arrangements by
11 interlocal agreement between certain municipalities and
12 counties; amending s. 163.415, F.S.; exempting counties
13 without home rule charters from tax increment financing
14 contribution requirements without an interlocal agreement
15 between the municipality creating the community
16 redevelopment agency and the county; providing
17 restrictions on certain community redevelopment agencies
18 without an interlocal agreement; authorizing alternative
19 tax increment funding arrangements; providing an effective
20 date.

21
22 Be It Enacted by the Legislature of the State of Florida:

HB 1521

2005
CS

24 Section 1. Section 163.387, Florida Statutes, is amended
25 to read:

26 163.387 Redevelopment trust fund.--

27 (1)(a) After approval of a community redevelopment plan,
28 there shall be established for each community redevelopment
29 agency created under s. 163.356 a redevelopment trust fund.
30 Funds allocated to and deposited into this fund shall be used by
31 the agency to finance or refinance any community redevelopment
32 it undertakes pursuant to the approved community redevelopment
33 plan. No community redevelopment agency may receive or spend any
34 increment revenues pursuant to this section unless and until the
35 governing body has, by ordinance, provided for the funding of
36 the redevelopment trust fund for the duration of a community
37 redevelopment plan. Such ordinance may be adopted only after the
38 governing body has approved a community redevelopment plan. The
39 annual funding of the redevelopment trust fund shall be in an
40 amount not less than that increment in the income, proceeds,
41 revenues, and funds of each taxing authority derived from or
42 held in connection with the undertaking and carrying out of
43 community redevelopment under this part. Such increment shall be
44 determined annually and shall be that amount equal to 95 percent
45 of the difference between:

46 1.(a) The amount of ad valorem taxes levied each year by
47 each taxing authority, exclusive of any amount from any debt
48 service millage, on taxable real property contained within the
49 geographic boundaries of a community redevelopment area; and

50 2.(b) The amount of ad valorem taxes which would have been
51 produced by the rate upon which the tax is levied each year by

HB 1521

2005
CS

52 | or for each taxing authority, exclusive of any debt service
 53 | millage, upon the total of the assessed value of the taxable
 54 | real property in the community redevelopment area as shown upon
 55 | the most recent assessment roll used in connection with the
 56 | taxation of such property by each taxing authority prior to the
 57 | effective date of the ordinance providing for the funding of the
 58 | trust fund.

59 |
 60 | However, the governing body of any county as defined in s.
 61 | 125.011(1) may, in the ordinance providing for the funding of a
 62 | trust fund established with respect to any community
 63 | redevelopment area created on or after July 1, 1994, determine
 64 | that the amount to be funded by each taxing authority annually
 65 | shall be less than 95 percent of the difference between
 66 | subparagraphs 1. and 2. paragraphs (a) and (b), but in no event
 67 | shall such amount be less than 50 percent of such difference.

68 | (b) Beginning July 1, 2008, for those community
 69 | redevelopment agencies that do not operate subject to an
 70 | interlocal agreement as specified under subsection (4), the
 71 | amount of tax increment shall be as specified in paragraph (a)
 72 | until one of the following events occurs:

73 | 1. The 20th year in the life of the community
 74 | redevelopment agency or, if the 20th year has already been
 75 | reached, July 1, 2008;

76 | 2. The amount of ad valorem taxes levied each year by the
 77 | county, exclusive of any amount from any debt service millage,
 78 | on taxable real property contained within the geographic
 79 | boundaries of a community redevelopment area equals twice the

HB 1521

2005
CS

80 amount of ad valorem taxes which would have been produced by the
 81 rate upon which the tax is levied each year by the county,
 82 exclusive of any debt service millage, upon the total of the
 83 assessed value of the taxable real property in the community
 84 redevelopment area as shown upon the most recent assessment roll
 85 used in connection with the taxation of such property by the
 86 county prior to the effective date of the ordinance providing
 87 for the funding of the trust fund. If the provisions of this
 88 paragraph have been met on July 1, 2008, then the event shall be
 89 considered to occur on July 1, 2008; or

90 3. The county holds a countywide referendum that asks the
 91 following question: "Should the county continue to contribute an
 92 increasing amount to the community redevelopment agency each
 93 year?" If a majority of electors of the county vote to continue
 94 increasing county contributions, the increment shall continue to
 95 be calculated as specified in paragraph (a). If a majority of
 96 electors of the county vote that the county contributions should
 97 not continue to increase, the tax increment shall be subject to
 98 the interlocal agreement requirements of this paragraph. Any
 99 such referendum shall not be held earlier than the fifth year in
 100 the life of the community redevelopment agency. For future
 101 years, the tax increment shall be as specified in an interlocal
 102 agreement as provided in subsection (4) but not less than the
 103 amount contributed by the county to the redevelopment trust fund
 104 prior to any of the events specified in this paragraph. In the
 105 absence of an interlocal agreement, the amount contributed by a
 106 county to the redevelopment trust fund shall be no less than the

107 | amount contributed prior to any of the events specified in this
 108 | paragraph.

109 | (c) Nothing in subsection (b) shall apply to a community
 110 | redevelopment agency that was created under delegation authority
 111 | of counties with home rule authority as specified in s. 163.410.

112 | (2)(a) Except for the purpose of funding the trust fund
 113 | pursuant to subsection (3), upon the adoption of an ordinance
 114 | providing for funding of the redevelopment trust fund as
 115 | provided in this section, each taxing authority shall, by
 116 | January 1 of each year, appropriate to the trust fund for so
 117 | long as any indebtedness pledging increment revenues to the
 118 | payment thereof is outstanding (but not to exceed 30 years) a
 119 | sum that is no less than the increment as defined and determined
 120 | in subsection (1) or subsection (4) accruing to such taxing
 121 | authority. If the community redevelopment plan is amended or
 122 | modified pursuant to s. 163.361(1), each such taxing authority
 123 | shall make the annual appropriation for a period not to exceed
 124 | 30 years after the date the governing body amends the plan.
 125 | However, for any agency created on or after July 1, 2002, each
 126 | taxing authority shall make the annual appropriation for a
 127 | period not to exceed 40 years after the fiscal year in which the
 128 | initial community redevelopment plan is approved or adopted.

129 | (b) Any taxing authority that does not pay the increment
 130 | to the trust fund by January 1 shall pay to the trust fund an
 131 | amount equal to 5 percent of the amount of the increment and
 132 | shall pay interest on the amount of the increment equal to 1
 133 | percent for each month the increment is outstanding.

134 (c) The following public bodies or taxing authorities are
135 exempt from paragraph (a):

136 1. A special district that levies ad valorem taxes on
137 taxable real property in more than one county.

138 2. A special district for which the sole available source
139 of revenue the district has the authority to levy is ad valorem
140 taxes at the time an ordinance is adopted under this section.
141 However, revenues or aid that may be dispensed or appropriated
142 to a district as defined in s. 388.011 at the discretion of an
143 entity other than such district shall not be deemed available.

144 3. A library district, except a library district in a
145 jurisdiction where the community redevelopment agency had
146 validated bonds as of April 30, 1984.

147 4. A neighborhood improvement district created under the
148 Safe Neighborhoods Act.

149 5. A metropolitan transportation authority.

150 6. A water management district created under s. 373.069.

151 (d)1. A local governing body that creates a community
152 redevelopment agency under s. 163.356 may exempt from paragraph
153 (a) a special district that levies ad valorem taxes within that
154 community redevelopment area. The local governing body may grant
155 the exemption either in its sole discretion or in response to
156 the request of the special district. The local governing body
157 must establish procedures by which a special district may submit
158 a written request to be exempted from paragraph (a).

159 2. In deciding whether to deny or grant a special
160 district's request for exemption from paragraph (a), the local
161 governing body must consider:

162 a. Any additional revenue sources of the community
163 redevelopment agency which could be used in lieu of the special
164 district's tax increment.

165 b. The fiscal and operational impact on the community
166 redevelopment agency.

167 c. The fiscal and operational impact on the special
168 district.

169 d. The benefit to the specific purpose for which the
170 special district was created. The benefit to the special
171 district must be based on specific projects contained in the
172 approved community redevelopment plan for the designated
173 community redevelopment area.

174 e. The impact of the exemption on incurred debt and
175 whether such exemption will impair any outstanding bonds that
176 have pledged tax increment revenues to the repayment of the
177 bonds.

178 f. The benefit of the activities of the special district
179 to the approved community redevelopment plan.

180 g. The benefit of the activities of the special district
181 to the area of operation of the local governing body that
182 created the community redevelopment agency.

183 3. The local governing body must hold a public hearing on
184 a special district's request for exemption after public notice
185 of the hearing is published in a newspaper having a general
186 circulation in the county or municipality that created the
187 community redevelopment area. The notice must describe the time,
188 date, place, and purpose of the hearing and must identify
189 generally the community redevelopment area covered by the plan

190 and the impact of the plan on the special district that
191 requested the exemption.

192 4. If a local governing body grants an exemption to a
193 special district under this paragraph, the local governing body
194 and the special district must enter into an interlocal agreement
195 that establishes the conditions of the exemption, including, but
196 not limited to, the period of time for which the exemption is
197 granted.

198 5. If a local governing body denies a request for
199 exemption by a special district, the local governing body shall
200 provide the special district with a written analysis specifying
201 the rationale for such denial. This written analysis must
202 include, but is not limited to, the following information:

203 a. A separate, detailed examination of each consideration
204 listed in subparagraph 2.

205 b. Specific examples of how the approved community
206 redevelopment plan will benefit, and has already benefited, the
207 purpose for which the special district was created.

208 6. The decision to either deny or grant an exemption must
209 be made by the local governing body within 120 days after the
210 date the written request was submitted to the local governing
211 body pursuant to the procedures established by such local
212 governing body.

213 (3) Notwithstanding the provisions of subsection (2), the
214 obligation of the governing body which established the community
215 redevelopment agency to fund the redevelopment trust fund
216 annually shall continue until all loans, advances, and
217 indebtedness, if any, and interest thereon, of a community

HB 1521

2005
CS

218 redevelopment agency incurred as a result of redevelopment in a
219 community redevelopment area have been paid.

220 (4) Notwithstanding the provisions of subsections (1) and
221 (2), alternative tax increment financing arrangements,
222 including, but not limited to, different tax increment
223 contributions than those specified in subsection (1), may be
224 enacted by interlocal agreements between the municipality that
225 creates the community redevelopment agency and the county. Such
226 interlocal agreements must include provisions for the tax
227 increment financing method and the contribution requirements to
228 the redevelopment trust fund of the municipality and the county.

229 (5)~~(4)~~ The revenue bonds and notes of every issue under
230 this part are payable solely out of revenues pledged to and
231 received by a community redevelopment agency and deposited to
232 its redevelopment trust fund. The lien created by such bonds or
233 notes shall not attach until the revenues referred to herein are
234 deposited in the redevelopment trust fund at the times, and to
235 the extent that, such revenues accrue. The holders of such bonds
236 or notes have no right to require the imposition of any tax or
237 the establishment of any rate of taxation in order to obtain the
238 amounts necessary to pay and retire such bonds or notes.

239 (6)~~(5)~~ Revenue bonds issued under the provisions of this
240 part shall not be deemed to constitute a debt, liability, or
241 obligation of the local governing body or the state or any
242 political subdivision thereof, or a pledge of the faith and
243 credit of the local governing body or the state or any political
244 subdivision thereof, but shall be payable solely from the
245 revenues provided therefor. All such revenue bonds shall contain

246 | on the face thereof a statement to the effect that the agency
 247 | shall not be obligated to pay the same or the interest thereon
 248 | except from the revenues of the community redevelopment agency
 249 | held for that purpose and that neither the faith and credit nor
 250 | the taxing power of the local governing body or of the state or
 251 | of any political subdivision thereof is pledged to the payment
 252 | of the principal of, or the interest on, such bonds.

253 | (7)~~(6)~~ Moneys in the redevelopment trust fund may be
 254 | expended from time to time for undertakings of a community
 255 | redevelopment agency which are directly related to financing or
 256 | refinancing of redevelopment in a community redevelopment area
 257 | pursuant to an approved community redevelopment plan for the
 258 | following purposes, including, but not limited to:

259 | (a) Administrative and overhead expenses necessary or
 260 | incidental to the implementation of a community redevelopment
 261 | plan adopted by the agency.

262 | (b) Expenses of redevelopment planning, surveys, and
 263 | financial analysis, including the reimbursement of the governing
 264 | body or the community redevelopment agency for such expenses
 265 | incurred before the redevelopment plan was approved and adopted.

266 | (c) The acquisition of real property in the redevelopment
 267 | area.

268 | (d) The clearance and preparation of any redevelopment
 269 | area for redevelopment and relocation of site occupants as
 270 | provided in s. 163.370.

271 | (e) The repayment of principal and interest or any
 272 | redemption premium for loans, advances, bonds, bond anticipation
 273 | notes, and any other form of indebtedness.

HB 1521

2005
CS

274 (f) All expenses incidental to or connected with the
 275 issuance, sale, redemption, retirement, or purchase of agency
 276 bonds, bond anticipation notes, or other form of indebtedness,
 277 including funding of any reserve, redemption, or other fund or
 278 account provided for in the ordinance or resolution authorizing
 279 such bonds, notes, or other form of indebtedness.

280 (g) The development of affordable housing within the area.

281 (h) The development of community policing innovations.

282 (8)~~(7)~~ On the last day of the fiscal year of the community
 283 redevelopment agency, any money which remains in the trust fund
 284 after the payment of expenses pursuant to subsection (7)~~(6)~~ for
 285 such year shall be:

286 (a) Returned to each taxing authority which paid the
 287 increment in the proportion that the amount of the payment of
 288 such taxing authority bears to the total amount paid into the
 289 trust fund by all taxing authorities within the redevelopment
 290 area for that year;

291 (b) Used to reduce the amount of any indebtedness to which
 292 increment revenues are pledged;

293 (c) Deposited into an escrow account for the purpose of
 294 later reducing any indebtedness to which increment revenues are
 295 pledged; or

296 (d) Appropriated to a specific redevelopment project
 297 pursuant to an approved community redevelopment plan which
 298 project will be completed within 3 years from the date of such
 299 appropriation.

300 (9)~~(8)~~ Each community redevelopment agency shall provide
 301 for an independent financial audit of the trust fund each fiscal

HB 1521

2005
CS

302 | year and a report of such audit. Such report shall describe the
 303 | amount and source of deposits into, and the amount and purpose
 304 | of withdrawals from, the trust fund during such fiscal year and
 305 | the amount of principal and interest paid during such year on
 306 | any indebtedness to which is pledged increment revenues and the
 307 | remaining amount of such indebtedness. The agency shall provide
 308 | a copy of the report to each taxing authority.

309 | Section 2. Section 163.415, Florida Statutes, is amended
 310 | to read:

311 | 163.415 Exercise of powers in counties without home rule
 312 | charters.--

313 | (1) The powers conferred by this part upon counties not
 314 | having adopted a home rule charter shall not be exercised within
 315 | the boundaries of a municipality within said county unless the
 316 | governing body of the municipality expresses its consent by
 317 | resolution. Such a resolution consenting to the exercise of the
 318 | powers conferred upon counties by this part shall specifically
 319 | enumerate the powers to be exercised by the county within the
 320 | boundaries of the municipality. Any power not specifically
 321 | enumerated in such a resolution of consent shall be exercised
 322 | exclusively by the municipality within its boundaries.

323 | (2) Beginning July 1, 2005, counties without home rule
 324 | charters shall not be required to contribute to tax increment
 325 | financing without an interlocal agreement between the county and
 326 | the municipality creating the community redevelopment agency
 327 | that governs the operations and financing of the community
 328 | redevelopment agency for community redevelopment agencies
 329 | created after July 1, 2005. The interlocal agreement may

HB 1521

2005
CS

330 | establish tax increment financing arrangements that differ from
331 | the specific requirements of s. 163.387.

332 | (3) For community redevelopment agencies created prior to
333 | July 1, 2005, in a county that did not have a home rule charter
334 | at the time the community redevelopment agency was created, no
335 | action to expand boundaries, modify a redevelopment plan, or
336 | modify existing debt service or other financing arrangements
337 | involving tax increment financing may be done without an
338 | interlocal agreement between the county and the municipality
339 | that created the community redevelopment agency. The interlocal
340 | agreement may establish the authority to expand or modify the
341 | community redevelopment agency, including tax increment
342 | financing arrangements that differ from the specific
343 | requirements of s. 163.387.

344 | Section 3. This act shall take effect July 1, 2005.