

CHAMBER ACTION

1 The Fiscal Council 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 or
12 community redevelopment agencies and counties; amending s.
13 163.415, F.S.; exempting counties without home rule
14 charters from tax increment financing contribution
15 requirements without an interlocal agreement between the
16 municipality creating the community redevelopment agency
17 or the community redevelopment agency, whichever is
18 applicable, and the county; providing restrictions on
19 certain community redevelopment agencies without an
20 interlocal agreement; authorizing alternative tax
21 increment funding arrangements; providing an effective
22 date.

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24 Be It Enacted by the Legislature of the State of Florida:

25

26 Section 1. Section 163.387, Florida Statutes, is amended
27 to read:

28 163.387 Redevelopment trust fund.--

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

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

52 2.~~(b)~~ The amount of ad valorem taxes which would have been
 53 produced by the rate upon which the tax is levied each year by
 54 or for each taxing authority, exclusive of any debt service
 55 millage, upon the total of the assessed value of the taxable
 56 real property in the community redevelopment area as shown upon
 57 the most recent assessment roll used in connection with the
 58 taxation of such property by each taxing authority prior to the
 59 effective date of the ordinance providing for the funding of the
 60 trust fund.

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

70 (b) Beginning July 1, 2008, for any community
 71 redevelopment agency that is not subject to an interlocal
 72 agreement as specified under subsection (4), the amount of
 73 increment revenue shall be as specified in paragraph (a) until
 74 one of the following events occurs:

75 1. The 20th year in the life of the community
 76 redevelopment agency, or July 1, 2008, if the 20th year is
 77 reached prior to July 1, 2008;

78 2. The amount of ad valorem taxes levied each year by the
 79 county, exclusive of any amount from any debt service millage,

80 on taxable real property contained within the geographic
 81 boundaries of a community redevelopment area equals twice the
 82 amount of ad valorem taxes which would have been produced by the
 83 rate upon which the tax is levied each year by the county,
 84 exclusive of any debt service millage, upon the total of the
 85 assessed value of the taxable real property in the community
 86 redevelopment area as shown upon the most recent assessment roll
 87 used in connection with the taxation of such property by the
 88 county prior to the effective date of the ordinance providing
 89 for the funding of the redevelopment trust fund. If the
 90 provisions of this subparagraph have been met prior to July 1,
 91 2008, the event shall be considered to occur on July 1, 2008; or
 92 3. The county commission calls a countywide referendum, to
 93 be conducted by the county supervisor of elections in
 94 conjunction with a general or special election, to pose the
 95 following question to registered voters of the county: "Should
 96 the county continue to contribute an increasing amount to the
 97 [insert name of the community redevelopment agency] each year?"
 98 If a majority of electors voting in the election cast an
 99 affirmative vote, the increment revenue shall continue to be
 100 calculated as specified in paragraph (a). If a majority of
 101 electors voting in the election cast a negative vote, the
 102 increment revenue shall be subject to the interlocal agreement
 103 requirements of this paragraph. Any such referendum shall not be
 104 conducted earlier than the 5th year in the life of the community
 105 redevelopment agency.
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107 If an event specified in subparagraph 1., subparagraph 2., or
108 subparagraph 3. occurs, any subsequent increment revenue shall
109 be as specified in an interlocal agreement as provided in
110 subsection (4), but shall not be less than the increment revenue
111 contributed by the county prior to the occurrence of the event.
112 However, in the absence of an interlocal agreement, the amount
113 of increment revenue contributed by the county shall be no less
114 than the amount of increment revenue contributed prior to the
115 occurrence of the event. Under no circumstance may the amount of
116 increment revenue paid by the county be reduced so as to impair
117 any bond, note, or other form of indebtedness issued by a
118 community redevelopment agency prior to July 1, 2005, and to
119 which increment revenue is pledged.

120 (c) Notwithstanding any other provision of law to the
121 contrary, paragraph (b) shall not apply to a community
122 redevelopment agency created by a municipality pursuant to
123 authority delegated under s. 163.410 by a county that has
124 adopted a home rule charter.

125 (2)(a) Except for the purpose of funding the trust fund
126 pursuant to subsection (3), upon the adoption of an ordinance
127 providing for funding of the redevelopment trust fund as
128 provided in this section, each taxing authority shall, by
129 January 1 of each year, appropriate to the trust fund for so
130 long as any indebtedness pledging increment revenues to the
131 payment thereof is outstanding (but not to exceed 30 years) a
132 sum that is no less than the increment as defined and determined
133 in subsection (1) or subsection (4) accruing to such taxing
134 authority. If the community redevelopment plan is amended or

135 modified pursuant to s. 163.361(1), each such taxing authority
 136 shall make the annual appropriation for a period not to exceed
 137 30 years after the date the governing body amends the plan.
 138 However, for any agency created on or after July 1, 2002, each
 139 taxing authority shall make the annual appropriation for a
 140 period not to exceed 40 years after the fiscal year in which the
 141 initial community redevelopment plan is approved or adopted.

142 (b) Any taxing authority that does not pay the increment
 143 to the trust fund by January 1 shall pay to the trust fund an
 144 amount equal to 5 percent of the amount of the increment and
 145 shall pay interest on the amount of the increment equal to 1
 146 percent for each month the increment is outstanding.

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

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

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

157 3. A library district, except a library district in a
 158 jurisdiction where the community redevelopment agency had
 159 validated bonds as of April 30, 1984.

160 4. A neighborhood improvement district created under the
 161 Safe Neighborhoods Act.

162 5. A metropolitan transportation authority.

163 6. A water management district created under s. 373.069.
 164 (d)1. A local governing body that creates a community
 165 redevelopment agency under s. 163.356 may exempt from paragraph
 166 (a) a special district that levies ad valorem taxes within that
 167 community redevelopment area. The local governing body may grant
 168 the exemption either in its sole discretion or in response to
 169 the request of the special district. The local governing body
 170 must establish procedures by which a special district may submit
 171 a written request to be exempted from paragraph (a).
 172 2. In deciding whether to deny or grant a special
 173 district's request for exemption from paragraph (a), the local
 174 governing body must consider:
 175 a. Any additional revenue sources of the community
 176 redevelopment agency which could be used in lieu of the special
 177 district's tax increment.
 178 b. The fiscal and operational impact on the community
 179 redevelopment agency.
 180 c. The fiscal and operational impact on the special
 181 district.
 182 d. The benefit to the specific purpose for which the
 183 special district was created. The benefit to the special
 184 district must be based on specific projects contained in the
 185 approved community redevelopment plan for the designated
 186 community redevelopment area.
 187 e. The impact of the exemption on incurred debt and
 188 whether such exemption will impair any outstanding bonds that
 189 have pledged tax increment revenues to the repayment of the
 190 bonds.

191 f. The benefit of the activities of the special district
192 to the approved community redevelopment plan.

193 g. The benefit of the activities of the special district
194 to the area of operation of the local governing body that
195 created the community redevelopment agency.

196 3. The local governing body must hold a public hearing on
197 a special district's request for exemption after public notice
198 of the hearing is published in a newspaper having a general
199 circulation in the county or municipality that created the
200 community redevelopment area. The notice must describe the time,
201 date, place, and purpose of the hearing and must identify
202 generally the community redevelopment area covered by the plan
203 and the impact of the plan on the special district that
204 requested the exemption.

205 4. If a local governing body grants an exemption to a
206 special district under this paragraph, the local governing body
207 and the special district must enter into an interlocal agreement
208 that establishes the conditions of the exemption, including, but
209 not limited to, the period of time for which the exemption is
210 granted.

211 5. If a local governing body denies a request for
212 exemption by a special district, the local governing body shall
213 provide the special district with a written analysis specifying
214 the rationale for such denial. This written analysis must
215 include, but is not limited to, the following information:

216 a. A separate, detailed examination of each consideration
217 listed in subparagraph 2.

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

221 6. The decision to either deny or grant an exemption must
222 be made by the local governing body within 120 days after the
223 date the written request was submitted to the local governing
224 body pursuant to the procedures established by such local
225 governing body.

226 (3) Notwithstanding the provisions of subsection (2), the
227 obligation of the governing body which established the community
228 redevelopment agency to fund the redevelopment trust fund
229 annually shall continue until all loans, advances, and
230 indebtedness, if any, and interest thereon, of a community
231 redevelopment agency incurred as a result of redevelopment in a
232 community redevelopment area have been paid.

233 (4) Notwithstanding the provisions of subsections (1) and
234 (2), alternative tax increment financing arrangements, including
235 tax increment contributions other than those specified in
236 subsection (1), may be established by interlocal agreements
237 between a municipality that creates a community redevelopment
238 agency or the community redevelopment agency, whichever is
239 applicable, and the county within which the municipality is
240 located. Such interlocal agreements shall include provisions
241 applicable to the municipality and the county regarding the tax
242 increment financing method and the contribution requirements to
243 the redevelopment trust fund.

244 ~~(5)~~(4) The revenue bonds and notes of every issue under
245 this part are payable solely out of revenues pledged to and

246 | received by a community redevelopment agency and deposited to
 247 | its redevelopment trust fund. The lien created by such bonds or
 248 | notes shall not attach until the revenues referred to herein are
 249 | deposited in the redevelopment trust fund at the times, and to
 250 | the extent that, such revenues accrue. The holders of such bonds
 251 | or notes have no right to require the imposition of any tax or
 252 | the establishment of any rate of taxation in order to obtain the
 253 | amounts necessary to pay and retire such bonds or notes.

254 | (6)~~(5)~~ Revenue bonds issued under the provisions of this
 255 | part shall not be deemed to constitute a debt, liability, or
 256 | obligation of the local governing body or the state or any
 257 | political subdivision thereof, or a pledge of the faith and
 258 | credit of the local governing body or the state or any political
 259 | subdivision thereof, but shall be payable solely from the
 260 | revenues provided therefor. All such revenue bonds shall contain
 261 | on the face thereof a statement to the effect that the agency
 262 | shall not be obligated to pay the same or the interest thereon
 263 | except from the revenues of the community redevelopment agency
 264 | held for that purpose and that neither the faith and credit nor
 265 | the taxing power of the local governing body or of the state or
 266 | of any political subdivision thereof is pledged to the payment
 267 | of the principal of, or the interest on, such bonds.

268 | (7)~~(6)~~ Moneys in the redevelopment trust fund may be
 269 | expended from time to time for undertakings of a community
 270 | redevelopment agency which are directly related to financing or
 271 | refinancing of redevelopment in a community redevelopment area
 272 | pursuant to an approved community redevelopment plan for the
 273 | following purposes, including, but not limited to:

274 (a) Administrative and overhead expenses necessary or
275 incidental to the implementation of a community redevelopment
276 plan adopted by the agency.

277 (b) Expenses of redevelopment planning, surveys, and
278 financial analysis, including the reimbursement of the governing
279 body or the community redevelopment agency for such expenses
280 incurred before the redevelopment plan was approved and adopted.

281 (c) The acquisition of real property in the redevelopment
282 area.

283 (d) The clearance and preparation of any redevelopment
284 area for redevelopment and relocation of site occupants as
285 provided in s. 163.370.

286 (e) The repayment of principal and interest or any
287 redemption premium for loans, advances, bonds, bond anticipation
288 notes, and any other form of indebtedness.

289 (f) All expenses incidental to or connected with the
290 issuance, sale, redemption, retirement, or purchase of agency
291 bonds, bond anticipation notes, or other form of indebtedness,
292 including funding of any reserve, redemption, or other fund or
293 account provided for in the ordinance or resolution authorizing
294 such bonds, notes, or other form of indebtedness.

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

296 (h) The development of community policing innovations.

297 (8)~~(7)~~ On the last day of the fiscal year of the community
298 redevelopment agency, any money which remains in the trust fund
299 after the payment of expenses pursuant to subsection (7)~~(6)~~ for
300 such year shall be:

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301 (a) Returned to each taxing authority which paid the
 302 increment in the proportion that the amount of the payment of
 303 such taxing authority bears to the total amount paid into the
 304 trust fund by all taxing authorities within the redevelopment
 305 area for that year;

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

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

311 (d) Appropriated to a specific redevelopment project
 312 pursuant to an approved community redevelopment plan which
 313 project will be completed within 3 years from the date of such
 314 appropriation.

315 (9)~~(8)~~ Each community redevelopment agency shall provide
 316 for an independent financial audit of the trust fund each fiscal
 317 year and a report of such audit. Such report shall describe the
 318 amount and source of deposits into, and the amount and purpose
 319 of withdrawals from, the trust fund during such fiscal year and
 320 the amount of principal and interest paid during such year on
 321 any indebtedness to which is pledged increment revenues and the
 322 remaining amount of such indebtedness. The agency shall provide
 323 a copy of the report to each taxing authority.

324 Section 2. Section 163.415, Florida Statutes, is amended
 325 to read:

326 163.415 Exercise of powers in counties without home rule
 327 charters.--

328 (1) The powers conferred by this part upon counties not
 329 having adopted a home rule charter shall not be exercised within
 330 the boundaries of a municipality within said county unless the
 331 governing body of the municipality expresses its consent by
 332 resolution. Such a resolution consenting to the exercise of the
 333 powers conferred upon counties by this part shall specifically
 334 enumerate the powers to be exercised by the county within the
 335 boundaries of the municipality. Any power not specifically
 336 enumerated in such a resolution of consent shall be exercised
 337 exclusively by the municipality within its boundaries.

338 (2) With respect to a community redevelopment agency
 339 created by a municipality on or after July 1, 2005, in a county
 340 that has not adopted a home rule charter, the county shall not
 341 be required to contribute increment revenue if the county and
 342 the municipality have not executed an interlocal agreement
 343 governing the operations and financing of the community
 344 redevelopment agency. The interlocal agreement may establish tax
 345 increment financing arrangements as specified in s. 163.387(4).

346 (3) With respect to a community redevelopment agency
 347 created by a municipality prior to July 1, 2005, in a county
 348 that had not adopted a home rule charter on the date the
 349 community redevelopment agency was created, the community
 350 redevelopment agency or municipality shall not take any action
 351 that may result in an increase in the length of time the county
 352 will contribute increment revenue to the redevelopment trust
 353 fund or an increase of the increment revenue contributed by the
 354 county, including, but not limited to, actions that may expand
 355 the boundaries of the community redevelopment agency, provide

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356 | for the issuance of new debt, or modify existing debt service or
357 | other financing arrangements involving tax increment financing,
358 | unless an interlocal agreement between the county and the
359 | municipality or the community redevelopment agency, whichever is
360 | applicable, is first executed to govern actions that may result
361 | in an increase in the length of time the county will contribute
362 | increment revenue to the redevelopment trust fund or an increase
363 | of the increment revenue contributed by the county. The
364 | interlocal agreement may establish tax increment financing
365 | arrangements as specified in s. 163.387.

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