

By Senator Constantine

22-1438-06

1   A bill to be entitled

2           An act relating to community redevelopment

3           agencies; amending s. 163.340, F.S.; conforming

4           a cross-reference; amending s. 163.356, F.S.;

5           requiring a community redevelopment agency to

6           include additional information in a report to

7           the governing body of a county or municipality;

8           amending s. 163.387, F.S.; authorizing

9           implementation of a funding alternative by a

10          local government that is subject to tax

11          increment financing obligations relating to a

12          community redevelopment agency; requiring

13          specification of a funding alternative in an

14          interlocal agreement; authorizing a credit

15          toward the tax increment obligation of a local

16          government for the cost of the funding

17          alternative; requiring each funding alternative

18          to ensure sufficient payment to the community

19          redevelopment agency; requiring a community

20          redevelopment agency to include additional

21          information in an audit report to each taxing

22          authority; amending s. 163.410, F.S.; requiring

23          development of an interlocal agreement

24          regarding community redevelopment areas in a

25          home rule county; requiring the governing board

26          of the county or a municipality in the county

27          to commence negotiation of the agreement;

28          providing for dispute resolution if agreement

29          cannot be reached; amending s. 163.415, F.S.;

30          requiring development of an interlocal

31          agreement regarding community redevelopment

1 areas in a county without a home rule charter;  
2 requiring the governing board of the county or  
3 a municipality in the county to commence  
4 negotiation of the agreement; providing for  
5 dispute resolution if agreement cannot be  
6 reached; providing an effective date.  
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8 Be It Enacted by the Legislature of the State of Florida:  
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10 Section 1. Subsection (8) of section 163.340, Florida  
11 Statutes, is amended to read:

12 163.340 Definitions.--The following terms, wherever  
13 used or referred to in this part, have the following meanings:

14 (8) "Blighted area" means an area in which there are a  
15 substantial number of deteriorated, or deteriorating  
16 structures, in which conditions, as indicated by  
17 government-maintained statistics or other studies, are leading  
18 to economic distress or endanger life or property, and in  
19 which two or more of the following factors are present:

20 (a) Predominance of defective or inadequate street  
21 layout, parking facilities, roadways, bridges, or public  
22 transportation facilities;

23 (b) Aggregate assessed values of real property in the  
24 area for ad valorem tax purposes have failed to show any  
25 appreciable increase over the 5 years prior to the finding of  
26 such conditions;

27 (c) Faulty lot layout in relation to size, adequacy,  
28 accessibility, or usefulness;

29 (d) Unsanitary or unsafe conditions;

30 (e) Deterioration of site or other improvements;

31 (f) Inadequate and outdated building density patterns;

1 (g) Falling lease rates per square foot of office,  
2 commercial, or industrial space compared to the remainder of  
3 the county or municipality;

4 (h) Tax or special assessment delinquency exceeding  
5 the fair value of the land;

6 (i) Residential and commercial vacancy rates higher in  
7 the area than in the remainder of the county or municipality;

8 (j) Incidence of crime in the area higher than in the  
9 remainder of the county or municipality;

10 (k) Fire and emergency medical service calls to the  
11 area proportionately higher than in the remainder of the  
12 county or municipality;

13 (l) A greater number of violations of the Florida  
14 Building Code in the area than the number of violations  
15 recorded in the remainder of the county or municipality;

16 (m) Diversity of ownership or defective or unusual  
17 conditions of title which prevent the free alienability of  
18 land within the deteriorated or hazardous area; or

19 (n) Governmentally owned property with adverse  
20 environmental conditions caused by a public or private entity.

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22 However, the term "blighted area" also means any area in which  
23 at least one of the factors identified in paragraphs (a)  
24 through (n) are present and all taxing authorities subject to  
25 s. 163.387(3)(a) ~~s. 163.387(2)(a)~~ agree, either by interlocal  
26 agreement or agreements with the agency or by resolution, that  
27 the area is blighted. Such agreement or resolution shall only  
28 determine that the area is blighted. For purposes of  
29 qualifying for the tax credits authorized in chapter 220,  
30 "blighted area" means an area as defined in this subsection.  
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1           Section 2. Paragraph (c) of subsection (3) of section  
2 163.356, Florida Statutes, is amended to read:

3           163.356 Creation of community redevelopment agency.--

4           (c) The governing body of the county or municipality  
5 shall designate a chair and vice chair from among the  
6 commissioners. An agency may employ an executive director,  
7 technical experts, and such other agents and employees,  
8 permanent and temporary, as it requires, and determine their  
9 qualifications, duties, and compensation. For such legal  
10 service as it requires, an agency may employ or retain its own  
11 counsel and legal staff. An agency authorized to transact  
12 business and exercise powers under this part shall file with  
13 the governing body, on or before March 31 of each year, a  
14 report of its activities for the preceding fiscal year, which  
15 report ~~must shall~~ include a complete financial statement  
16 setting forth its assets, liabilities, income, and operating  
17 expenses as of the end of such fiscal year. The report must  
18 also include information concerning the status of  
19 redevelopment projects and related activities contained in  
20 redevelopment plans, redevelopment activities proposed for the  
21 upcoming year, and other information as specified in  
22 interlocal agreements. At the time of filing the report, the  
23 agency shall publish in a newspaper of general circulation in  
24 the community a notice to the effect that such report has been  
25 filed with the county or municipality and that the report is  
26 available for inspection during business hours in the office  
27 of the clerk of the city or county commission and in the  
28 office of the agency.

29           Section 3. Section 163.387, Florida Statutes, is  
30 amended to read:

31           163.387 Redevelopment trust fund.--

1           (1) After approval of a community redevelopment plan,  
2 there shall be established for each community redevelopment  
3 agency created under s. 163.356 a redevelopment trust fund.  
4 Funds allocated to and deposited into this fund shall be used  
5 by the agency to finance or refinance any community  
6 redevelopment it undertakes pursuant to the approved community  
7 redevelopment plan. No community redevelopment agency may  
8 receive or spend any increment revenues pursuant to this  
9 section unless and until the governing body has, by ordinance,  
10 provided for the funding of the redevelopment trust fund for  
11 the duration of a community redevelopment plan. Such ordinance  
12 may be adopted only after the governing body has approved a  
13 community redevelopment plan. The annual funding of the  
14 redevelopment trust fund shall be in an amount not less than  
15 that increment in the income, proceeds, revenues, and funds of  
16 each taxing authority derived from or held in connection with  
17 the undertaking and carrying out of community redevelopment  
18 under this part. Such increment shall be determined annually  
19 and shall be that amount equal to 95 percent of the difference  
20 between:

21           (a) The amount of ad valorem taxes levied each year by  
22 each taxing authority, exclusive of any amount from any debt  
23 service millage, on taxable real property contained within the  
24 geographic boundaries of a community redevelopment area; and

25           (b) The amount of ad valorem taxes which would have  
26 been produced by the rate upon which the tax is levied each  
27 year by or for each taxing authority, exclusive of any debt  
28 service millage, upon the total of the assessed value of the  
29 taxable real property in the community redevelopment area as  
30 shown upon the most recent assessment roll used in connection  
31 with the taxation of such property by each taxing authority

1 prior to the effective date of the ordinance providing for the  
2 funding of the trust fund.

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4 However, the governing body of any county as defined in s.  
5 125.011(1) may, in the ordinance providing for the funding of  
6 a trust fund established with respect to any community  
7 redevelopment area created on or after July 1, 1994, determine  
8 that the amount to be funded by each taxing authority annually  
9 shall be less than 95 percent of the difference between  
10 paragraphs (a) and (b), but in no event shall such amount be  
11 less than 50 percent of such difference.

12 (2) A local government that is subject to obligations  
13 that are funded by tax increment revenues may implement  
14 funding alternatives to meet those obligations, which include,  
15 but need not be limited to, in-kind contributions or providing  
16 public infrastructure, business incentives, and waivers of  
17 impact fees and other costs related to redevelopment. The  
18 alternatives must be specified in interlocal agreements  
19 between the county, municipality, and other affected local  
20 governments. The cost of a funding alternative is a direct  
21 credit toward the tax increment financing obligation of the  
22 local government. Each funding alternative must ensure  
23 adequate and timely distribution of payments necessary for the  
24 community redevelopment agency to function efficiently and  
25 effectively and meet any bond obligation of the agency.

26 ~~(3)(2)(a)~~ Except for the purpose of funding the trust  
27 fund pursuant to subsection~~(4)(3)~~, upon the adoption of an  
28 ordinance providing for funding of the redevelopment trust  
29 fund as provided in this section, each taxing authority shall,  
30 by January 1 of each year, appropriate to the trust fund for  
31 so long as any indebtedness pledging increment revenues to the

1 payment thereof is outstanding, ~~(but not to exceed 30 years,~~  
2 a sum that is no less than the increment as defined and  
3 determined in subsection (1) accruing to such taxing  
4 authority. If the community redevelopment plan is amended or  
5 modified pursuant to s. 163.361(1), each such taxing authority  
6 shall make the annual appropriation for a period not to exceed  
7 30 years after the date the governing body amends the plan.  
8 However, for any agency created on or after July 1, 2002, each  
9 taxing authority shall make the annual appropriation for a  
10 period not to exceed 40 years after the fiscal year in which  
11 the initial community redevelopment plan is approved or  
12 adopted.

13 (b) Any taxing authority that does not pay the  
14 increment to the trust fund by January 1 shall pay to the  
15 trust fund an amount equal to 5 percent of the amount of the  
16 increment and shall pay interest on the amount of the  
17 increment equal to 1 percent for each month the increment is  
18 outstanding.

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

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

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

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

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

6           5. A metropolitan transportation authority.

7           6. A water management district created under s.  
8 373.069.

9           (d)1. A local governing body that creates a community  
10 redevelopment agency under s. 163.356 may exempt from  
11 paragraph (a) a special district that levies ad valorem taxes  
12 within that community redevelopment area. The local governing  
13 body may grant the exemption either in its sole discretion or  
14 in response to the request of the special district. The local  
15 governing body must establish procedures by which a special  
16 district may submit a written request to be exempted from  
17 paragraph (a).

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

21           a. Any additional revenue sources of the community  
22 redevelopment agency which could be used in lieu of the  
23 special district's tax increment.

24           b. The fiscal and operational impact on the community  
25 redevelopment agency.

26           c. The fiscal and operational impact on the special  
27 district.

28           d. The benefit to the specific purpose for which the  
29 special district was created. The benefit to the special  
30 district must be based on specific projects contained in the  
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1 approved community redevelopment plan for the designated  
2 community redevelopment area.

3 e. The impact of the exemption on incurred debt and  
4 whether such exemption will impair any outstanding bonds that  
5 have pledged tax increment revenues to the repayment of the  
6 bonds.

7 f. The benefit of the activities of the special  
8 district to the approved community redevelopment plan.

9 g. The benefit of the activities of the special  
10 district to the area of operation of the local governing body  
11 that created the community redevelopment agency.

12 3. The local governing body must hold a public hearing  
13 on a special district's request for exemption after public  
14 notice of the hearing is published in a newspaper having a  
15 general circulation in the county or municipality that created  
16 the community redevelopment area. The notice must describe  
17 the time, date, place, and purpose of the hearing and must  
18 identify generally the community redevelopment area covered by  
19 the plan and the impact of the plan on the special district  
20 that requested the exemption.

21 4. If a local governing body grants an exemption to a  
22 special district under this paragraph, the local governing  
23 body and the special district must enter into an interlocal  
24 agreement that establishes the conditions of the exemption,  
25 including, but not limited to, the period of time for which  
26 the exemption is granted.

27 5. If a local governing body denies a request for  
28 exemption by a special district, the local governing body  
29 shall provide the special district with a written analysis  
30 specifying the rationale for such denial. This written  
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1 analysis must include, but is not limited to, the following  
2 information:

3 a. A separate, detailed examination of each  
4 consideration listed in subparagraph 2.

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

8 6. The decision to either deny or grant an exemption  
9 must be made by the local governing body within 120 days after  
10 the date the written request was submitted to the local  
11 governing body pursuant to the procedures established by such  
12 local governing body.

13 ~~(4)(3)~~ Notwithstanding ~~the provisions of~~ subsection  
14 ~~(3)(2)~~, the obligation of the governing body which  
15 established the community redevelopment agency to fund the  
16 redevelopment trust fund annually shall continue until all  
17 loans, advances, and indebtedness, if any, and interest  
18 thereon, of a community redevelopment agency incurred as a  
19 result of redevelopment in a community redevelopment area have  
20 been paid.

21 ~~(5)(4)~~ The revenue bonds and notes of every issue  
22 under this part are payable solely out of revenues pledged to  
23 and received by a community redevelopment agency and deposited  
24 to its redevelopment trust fund. The lien created by such  
25 bonds or notes shall not attach until the revenues referred to  
26 herein are deposited in the redevelopment trust fund at the  
27 times, and to the extent that, such revenues accrue. The  
28 holders of such bonds or notes have no right to require the  
29 imposition of any tax or the establishment of any rate of  
30 taxation in order to obtain the amounts necessary to pay and  
31 retire such bonds or notes.

1           (6)~~(5)~~ Revenue bonds issued under ~~the provisions of~~  
2 this part do ~~shall not be deemed to~~ constitute a debt,  
3 liability, or obligation of the local governing body or the  
4 state or any political subdivision thereof, or a pledge of the  
5 faith and credit of the local governing body or the state or  
6 any political subdivision thereof, but shall be payable solely  
7 from the revenues provided therefor. All such revenue bonds  
8 shall contain on the face thereof a statement to the effect  
9 that the agency shall not be obligated to pay the same or the  
10 interest thereon except from the revenues of the community  
11 redevelopment agency held for that purpose and that neither  
12 the faith and credit nor the taxing power of the local  
13 governing body or of the state or of any political subdivision  
14 thereof is pledged to the payment of the principal of, or the  
15 interest on, such bonds.

16           (7)~~(6)~~ Moneys in the redevelopment trust fund may be  
17 expended from time to time for undertakings of a community  
18 redevelopment agency which are directly related to financing  
19 or refinancing of redevelopment in a community redevelopment  
20 area pursuant to an approved community redevelopment plan for  
21 the following purposes, including, but not limited to:

22           (a) Administrative and overhead expenses necessary or  
23 incidental to the implementation of a community redevelopment  
24 plan adopted by the agency.

25           (b) Expenses of redevelopment planning, surveys, and  
26 financial analysis, including the reimbursement of the  
27 governing body or the community redevelopment agency for such  
28 expenses incurred before the redevelopment plan was approved  
29 and adopted.

30           (c) The acquisition of real property in the  
31 redevelopment area.

1 (d) The clearance and preparation of any redevelopment  
2 area for redevelopment and relocation of site occupants as  
3 provided in s. 163.370.

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

7 (f) All expenses incidental to or connected with the  
8 issuance, sale, redemption, retirement, or purchase of agency  
9 bonds, bond anticipation notes, or other form of indebtedness,  
10 including funding of any reserve, redemption, or other fund or  
11 account provided for in the ordinance or resolution  
12 authorizing such bonds, notes, or other form of indebtedness.

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

15 (h) The development of community policing innovations.

16 ~~(8)(7)~~ On the last day of the fiscal year of the  
17 community redevelopment agency, any money which remains in the  
18 trust fund after the payment of expenses pursuant to  
19 subsection ~~(7)(6)~~ for such year shall be:

20 (a) Returned to each taxing authority which paid the  
21 increment in the proportion that the amount of the payment of  
22 such taxing authority bears to the total amount paid into the  
23 trust fund by all taxing authorities within the redevelopment  
24 area for that year;

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

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

30 (d) Appropriated to a specific redevelopment project  
31 pursuant to an approved community redevelopment plan which

1 project will be completed within 3 years from the date of such  
2 appropriation.

3 ~~(9)(8)~~ Each community redevelopment agency shall  
4 provide for an independent financial audit of the trust fund  
5 each fiscal year and a report of such audit. ~~The Such~~ report  
6 ~~must shall~~ describe the amount and source of deposits into,  
7 and the amount and purpose of withdrawals from, the trust fund  
8 during such fiscal year and the amount of principal and  
9 interest paid during such year on any indebtedness to which is  
10 pledged increment revenues and the remaining amount of such  
11 indebtedness. The report must also include information  
12 concerning the status of redevelopment projects and related  
13 activities contained in redevelopment plans, redevelopment  
14 activities proposed for the upcoming year, and other  
15 information as specified in interlocal agreements. The agency  
16 shall provide a copy of the report to each taxing authority.

17 Section 4. Section 163.410, Florida Statutes, is  
18 amended to read:

19 163.410 Exercise of powers in counties with home rule  
20 charters.--

21 (1) In ~~a any~~ county ~~that which~~ has adopted a home rule  
22 charter, the powers conferred by this part shall be exercised  
23 exclusively by the governing body of such county. However, the  
24 governing body of ~~a any such~~ county ~~that which~~ has adopted a  
25 home rule charter may, in its discretion, by resolution  
26 delegate the exercise of the powers conferred upon the county  
27 by this part within the boundaries of a municipality to the  
28 governing body of such a municipality. Such a delegation  
29 ~~confers to a municipality shall confer~~ only such powers upon  
30 ~~the a~~ municipality as ~~are shall be~~ specifically enumerated in  
31 the delegating resolution. Any power not specifically

1 | delegated ~~is shall be~~ reserved exclusively to the governing  
2 | body of the county. This subsection ~~section~~ does not affect  
3 | any community redevelopment agency created by a municipality  
4 | prior to the adoption of a county home rule charter. Unless  
5 | otherwise provided by an existing ordinance, resolution, or  
6 | interlocal agreement between any such county and a  
7 | municipality, the governing body of the county that has  
8 | adopted a home rule charter shall act on any request from a  
9 | municipality for a delegation of powers or a change in an  
10 | existing delegation of powers within 120 days after the  
11 | receipt of all required documentation or such request shall be  
12 | immediately sent to the governing body for consideration.

13 |       (2) A county that has adopted a home rule charter and  
14 | each municipality within that county shall develop an  
15 | interlocal agreement regarding the formation, expansion,  
16 | financing, reporting, and duration of the community  
17 | redevelopment areas within the county. The governing body of  
18 | such a county shall enter into negotiations for the interlocal  
19 | agreement within 90 days after it receives a written proposal  
20 | for an interlocal agreement from a municipality. The governing  
21 | body of a municipality shall enter into negotiations for the  
22 | interlocal agreement within 90 days after it receives a  
23 | written proposal for an interlocal agreement from the county  
24 | or from another municipality in the county. Failure to reach  
25 | agreement after entering negotiations must be settled through  
26 | the dispute-resolution process in chapter 164.

27 |       Section 5. Section 163.415, Florida Statutes is  
28 | amended to read:

29 |       163.415 Exercise of powers in counties without home  
30 | rule charters.--  
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1           (1) The powers conferred by this part upon a county  
2 ~~counties~~ not having adopted a home rule charter ~~may shall~~ not  
3 be exercised within the boundaries of a municipality within  
4 ~~that said~~ county unless the governing body of the municipality  
5 expresses its consent by resolution. Such a resolution  
6 consenting to the exercise of the powers conferred upon  
7 counties by this part ~~must shall~~ specifically enumerate the  
8 powers to be exercised by the county within the boundaries of  
9 the municipality. Any power not specifically enumerated in  
10 such a resolution of consent shall be exercised exclusively by  
11 the municipality within its boundaries.

12           (2) A county without a home rule charter and each  
13 municipality within that county shall develop an interlocal  
14 agreement regarding the formation, expansion, financing,  
15 reporting, and duration of the community redevelopment areas  
16 within the county. The governing body of such a county shall  
17 enter into negotiations for the interlocal agreement within 90  
18 days after it receives a written proposal for an interlocal  
19 agreement from a municipality. The governing body of a  
20 municipality shall enter into negotiations for the interlocal  
21 agreement within 90 days after it receives a written proposal  
22 for an interlocal agreement from the county or from another  
23 municipality in the county. Failure to reach agreement after  
24 entering negotiations must be settled through the  
25 dispute-resolution process in chapter 164.

26           Section 6. This act shall take effect upon becoming a  
27 law.

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SENATE SUMMARY

Requires a community redevelopment agency to include additional information in a report to the governing body of a county or municipality and in an audit report to each taxing authority. Authorizes a local government that is subject to tax increment financing obligations relating to a community redevelopment agency to implement a funding alternative that is specified in an interlocal agreement. Provides a credit toward the tax increment obligation for the cost of the funding alternative. Requires that each funding alternative ensure sufficient payment to the community redevelopment agency. Requires counties and municipalities to develop an interlocal agreement regarding community redevelopment areas. Requires the governing board of a county or municipality to commence negotiation of the agreement. Provides for dispute resolution.