

By the Committee on Community Affairs; and Senator Lee

578-03382-17

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1 A bill to be entitled
2 An act relating to community redevelopment agencies;
3 amending s. 163.340, F.S.; revising the definition of
4 the term "blighted area"; amending s. 163.524, F.S.;
5 conforming a cross-reference; amending s. 163.356,
6 F.S.; providing reporting requirements; deleting
7 provisions requiring certain annual reports; amending
8 s. 163.357, F.S.; requiring, rather than authorizing,
9 a governing body that consists of five members to
10 appoint two additional persons to act as members of
11 the community redevelopment agency; providing
12 requirements for such members; amending s. 163.367,
13 F.S.; requiring ethics training for community
14 redevelopment agency commissioners; amending s.
15 163.370, F.S.; establishing procurement procedures;
16 creating s. 163.371, F.S.; providing annual reporting
17 requirements; requiring a community redevelopment
18 agency to publish annual reports and boundary maps on
19 its website; creating s. 163.3755, F.S.; providing a
20 phase-out period for existing community redevelopment
21 agencies unless their continued existence is approved
22 by a super majority vote of the governing bodies of
23 the counties or municipalities which created them;
24 providing a limited exception for community
25 redevelopment agencies with certain outstanding bond
26 obligations; providing that a governing body of a
27 county or municipality may create a community
28 redevelopment agency only by a super majority vote on
29 or after a specified date; creating s. 163.3756, F.S.;

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30 providing legislative findings; requiring the
31 Department of Economic Opportunity to declare inactive
32 community redevelopment agencies that have reported no
33 financial activity for a specified number of years;
34 providing hearing procedures; authorizing certain
35 financial activity by a community redevelopment agency
36 that is declared inactive; requiring the department to
37 maintain a website identifying all inactive community
38 redevelopment agencies; amending s. 163.387, F.S.;
39 revising requirements for the use of the redevelopment
40 trust fund proceeds beginning on a specified date;
41 limiting allowed expenditures; revising requirements
42 for the annual budget of a community redevelopment
43 agency; requiring municipal community redevelopment
44 agencies to provide an annual budget to the county
45 commission; revising requirements for the annual
46 audit; requiring the audit to be included with the
47 financial report of the county or municipality that
48 created the community redevelopment agency; amending
49 s. 218.32, F.S.; requiring county and municipal
50 governments to report community redevelopment agency
51 annual audit reports as part of the county or
52 municipal annual report; revising criteria for finding
53 that a county or municipality failed to file a report;
54 requiring the Department of Financial Services to
55 provide a report to the Department of Economic
56 Opportunity concerning community redevelopment
57 agencies with no revenues, expenditures, or debts;
58 providing an effective date.

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

Section 1. Subsection (8) of section 163.340, Florida Statutes, is amended to read:

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

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

(a) Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities.

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

(c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.

(d) Unsanitary or unsafe conditions.

(e) Deterioration of site or other improvements.

(f) Inadequate and outdated building density patterns.

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

(h) Tax or special assessment delinquency exceeding the

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88 fair value of the land.

89 (i) Residential and commercial vacancy rates higher in the
90 area than in the remainder of the county or municipality.

91 (j) Incidence of crime in the area higher than in the
92 remainder of the county or municipality.

93 (k) Fire and emergency medical service calls to the area
94 proportionately higher than in the remainder of the county or
95 municipality.

96 (l) A greater number of violations of the Florida Building
97 Code in the area than the number of violations recorded in the
98 remainder of the county or municipality.

99 (m) Diversity of ownership or defective or unusual
100 conditions of title which prevent the free alienability of land
101 within the deteriorated or hazardous area.

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

104 (o) A substantial number or percentage of properties
105 damaged by sinkhole activity which have not been adequately
106 repaired or stabilized.

107 (p) Rates of unemployment higher in the area than in the
108 remainder of the county or municipality.

109 (q) Rates of poverty higher in the area than in the
110 remainder of the county or municipality.

111 (r) Rates of foreclosure higher in the area than in the
112 remainder of the county or municipality.

113 (s) Rates of infant mortality higher in the area than in
114 the remainder of the county or municipality.

115
116 ~~However, the term "blighted area" also means any area in which~~

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117 ~~at least one of the factors identified in paragraphs (a) through~~
118 ~~(e) is present and all taxing authorities subject to s.~~
119 ~~163.387(2) (a) agree, either by interlocal agreement with the~~
120 ~~agency or by resolution, that the area is blighted. Such~~
121 ~~agreement or resolution must be limited to a determination that~~
122 ~~the area is blighted. For purposes of qualifying for the tax~~
123 credits authorized in chapter 220, "blighted area" means an area
124 as defined in this subsection.

125 Section 2. Subsection (3) of section 163.524, Florida
126 Statutes, is amended to read:

127 163.524 Neighborhood Preservation and Enhancement Program;
128 participation; creation of Neighborhood Preservation and
129 Enhancement Districts; creation of Neighborhood Councils and
130 Neighborhood Enhancement Plans.—

131 (3) After the boundaries and size of the Neighborhood
132 Preservation and Enhancement District have been defined, the
133 local government shall pass an ordinance authorizing the
134 creation of the Neighborhood Preservation and Enhancement
135 District. The ordinance shall contain a finding that the
136 boundaries of the Neighborhood Preservation and Enhancement
137 District comply with s. 163.340(7) or (8) (a)-(s) ~~(8) (a)-(e)~~ or
138 do not contain properties that are protected by deed
139 restrictions. Such ordinance may be amended or repealed in the
140 same manner as other local ordinances.

141 Section 3. Paragraphs (c) and (d) of subsection (3) of
142 section 163.356, Florida Statutes, are amended to read:

143 163.356 Creation of community redevelopment agency.—

144 (3) (c) The governing body of the county or municipality
145 shall designate a chair and vice chair from among the

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146 commissioners. An agency may employ an executive director,
147 technical experts, and such other agents and employees,
148 permanent and temporary, as it requires, and determine their
149 qualifications, duties, and compensation. For such legal service
150 as it requires, an agency may employ or retain its own counsel
151 and legal staff.

152 (d) An agency authorized to transact business and exercise
153 powers under this part shall file with the governing body the
154 report required pursuant to s. 163.371(1), ~~on or before March 31~~
155 ~~of each year, a report of its activities for the preceding~~
156 ~~fiscal year, which report shall include a complete financial~~
157 ~~statement setting forth its assets, liabilities, income, and~~
158 ~~operating expenses as of the end of such fiscal year. At the~~
159 ~~time of filing the report, the agency shall publish in a~~
160 ~~newspaper of general circulation in the community a notice to~~
161 ~~the effect that such report has been filed with the county or~~
162 ~~municipality and that the report is available for inspection~~
163 ~~during business hours in the office of the clerk of the city or~~
164 ~~county commission and in the office of the agency.~~

165 (e) ~~(d)~~ At any time after the creation of a community
166 redevelopment agency, the governing body of the county or
167 municipality may appropriate to the agency such amounts as the
168 governing body deems necessary for the administrative expenses
169 and overhead of the agency, including the development and
170 implementation of community policing innovations.

171 Section 4. Paragraph (c) of subsection (1) of section
172 163.357, Florida Statutes, is amended to read:

173 163.357 Governing body as the community redevelopment
174 agency.—

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175 (1)

176 (c) A governing body that ~~which~~ consists of five members
177 shall ~~may~~ appoint two additional persons to act as members of
178 the community redevelopment agency. These members may not be
179 elected officials. The two additional members must have
180 expertise in at least one of the following areas: architecture,
181 finance, construction, land use, affordable housing,
182 sustainability, or other educational or professional experience
183 in the area of community redevelopment. The terms of office of
184 the additional members shall be for 4 years, except that the
185 first person appointed shall initially serve a term of 2 years.
186 Persons appointed under this section are subject to all
187 provisions of this part relating to appointed members of a
188 community redevelopment agency.

189 Section 5. Subsection (1) of section 163.367, Florida
190 Statutes, is amended to read:

191 163.367 Public officials, commissioners, and employees
192 subject to code of ethics.—

193 (1) (a) The officers, commissioners, and employees of a
194 community redevelopment agency created by, or designated
195 pursuant to, s. 163.356 or s. 163.357 are ~~shall be~~ subject to
196 the provisions and requirements of part III of chapter 112.

197 (b) Commissioners of a community redevelopment agency must
198 comply with the ethics training requirements in s. 112.3142.

199 Section 6. Subsection (5) is added to section 163.370,
200 Florida Statutes, to read:

201 163.370 Powers; counties and municipalities; community
202 redevelopment agencies.—

203 (5) A community redevelopment agency shall procure all

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204 commodities and services under the same purchasing processes and
205 requirements that apply to the county or municipality that
206 created the agency.

207 Section 7. Section 163.371, Florida Statutes, is created to
208 read:

209 163.371 Reporting requirements.—

210 (1) Beginning March 31, 2018, and no later than March 31 of
211 each year thereafter, a community redevelopment agency shall
212 file an annual report with the county or municipality that
213 created the agency and publish the information on the agency's
214 website. The report must include the following information:

215 (a) A complete audit report of the redevelopment trust fund
216 pursuant to s. 163.387(8).

217 (b) The performance data for each plan authorized,
218 administered, or overseen by the community redevelopment agency
219 as of December 31 of the year being reported, including the:

220 1. Total number of projects started and completed and the
221 estimated project cost for each project.

222 2. Total expenditures from the redevelopment trust fund.

223 3. Original assessed real property values within the
224 community redevelopment agency's area of authority as of the day
225 the agency was created.

226 4. Total assessed real property values of property within
227 the boundaries of the community redevelopment agency as of
228 January 1 of the year being reported.

229 5. Total amount expended for affordable housing for low-
230 income and middle-income residents.

231 (2) By January 1, 2018, each community redevelopment agency
232 shall publish on its website digital maps that depict the

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233 geographic boundaries and total acreage of the community
234 redevelopment agency. If any change is made to the boundaries or
235 total acreage, the agency shall post updated map files on its
236 website within 60 days after the date such change takes effect.

237 Section 8. Section 163.3755, Florida Statutes, is created
238 to read:

239 163.3755 Termination of community redevelopment agencies;
240 future creation.-

241 (1) Unless the governing body of the county or municipality
242 which created the community redevelopment agency approves its
243 continued existence by a super majority vote of the governing
244 body members, a community redevelopment agency in existence on
245 July 1, 2017, shall terminate on the expiration date provided in
246 the community redevelopment agency's charter as it exists on
247 July 1, 2017, or on September 30, 2037, whichever is earlier.

248 (2) (a) If the governing body of the county or municipality
249 which created the community redevelopment agency does not
250 approve its continued existence by a super majority vote of the
251 governing body members, a community redevelopment agency with
252 outstanding bonds as of July 1, 2017, which do not mature until
253 after the earlier of the termination date of the agency or
254 September 30, 2037, remains in existence until the date the
255 bonds mature.

256 (b) A community redevelopment agency operating under this
257 subsection on or after September 30, 2037, may not extend the
258 maturity date of any outstanding bonds.

259 (c) The county or municipality that created the community
260 redevelopment agency must issue a new finding of necessity
261 limited to timely meeting the remaining bond obligations of the

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262 community redevelopment agency.

263 (3) On or after July 1, 2017, the governing body of a
264 county or municipality may create a community redevelopment
265 agency only by a super majority vote of the members of the
266 governing body of the county or municipality. A community
267 redevelopment agency in existence before July 1, 2017, may
268 continue to operate as provided in this part.

269 Section 9. Section 163.3756, Florida Statutes, is created
270 to read:

271 163.3756 Inactive community redevelopment agencies.—

272 (1) The Legislature finds that a number of community
273 redevelopment agencies continue to exist but report no revenues,
274 no expenditures, and no outstanding debt in their annual report
275 to the Department of Financial Services pursuant to s. 218.32.

276 (2) (a) A community redevelopment agency that has reported
277 no revenues, expenditures, or debt under s. 218.32 or s.
278 189.016(9) for 3 consecutive fiscal years calculated from no
279 earlier than October 1, 2014, shall be declared inactive by the
280 Department of Economic Opportunity. The department shall notify
281 the agency of the declaration of inactive status under this
282 subsection. If the agency has no board members and no agent, the
283 notice of inactive status must be delivered to the governing
284 board or commission of the county or municipality which created
285 the agency.

286 (b) The governing board of a community redevelopment agency
287 declared inactive under this subsection may seek to invalidate
288 the declaration by initiating proceedings under s. 189.062(5)
289 within 30 days after the date of the receipt of the notice from
290 the department.

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291 (3) A community redevelopment agency declared inactive
292 under this section is authorized only to expend funds from the
293 redevelopment trust fund as necessary to service outstanding
294 bond debt. The agency may not expend other funds without an
295 ordinance of the governing body of the local government which
296 created the agency consenting to the expenditure of funds.

297 (4) The provisions of s. 189.062(2) and (4) do not apply to
298 a community redevelopment agency that has been declared inactive
299 under this section.

300 (5) The provisions of this section are cumulative to the
301 provisions of s. 189.062. To the extent the provisions of this
302 section conflict with the provisions of s. 189.062, this section
303 prevails.

304 (6) The Department of Economic Opportunity shall maintain
305 on its website a separate list of community redevelopment
306 agencies declared inactive under this section.

307 Section 10. Subsections (6) and (8) of section 163.387,
308 Florida Statutes, are amended to read:

309 163.387 Redevelopment trust fund.—

310 (6) Beginning October 1, 2017, moneys in the redevelopment
311 trust fund may be expended ~~from time to time~~ for undertakings of
312 a community redevelopment agency as described in the community
313 redevelopment plan only pursuant to an annual budget adopted by
314 the board of commissioners of the community redevelopment agency
315 and only for the ~~following~~ purposes stated in this subsection.⁷
316 ~~including, but not limited to:~~

317 (a) Except as provided in this subsection, a community
318 redevelopment agency shall comply with the requirements of s.
319 189.016.

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320 (b) A community redevelopment agency created by a
321 municipality shall:

322 1. Adopt its proposed budget within 90 days before the
323 beginning of its fiscal year.

324 2. Submit its proposed budget and projections for the next
325 fiscal year to the board of county commissioners for the county
326 in which the community redevelopment agency is located within 60
327 days before the start of the agency's fiscal year.

328 3. Submit amendments to its operating budget to the board
329 of county commissioners of the county in which the community
330 redevelopment agency is located within 10 days after the date of
331 adoption of the amended budget ~~Administrative and overhead~~
332 ~~expenses necessary or incidental to the implementation of a~~
333 ~~community redevelopment plan adopted by the agency.~~

334 (c) The annual budget of a community redevelopment agency
335 may provide for payment of the following expenses:

336 1. Administrative and overhead expenses directly or
337 indirectly necessary to implement a community redevelopment plan
338 adopted by the agency.

339 2.~~(b)~~ Expenses of redevelopment planning, surveys, and
340 financial analysis, including the reimbursement of the governing
341 body or the community redevelopment agency for such expenses
342 incurred before the redevelopment plan was approved and adopted.

343 3.~~(e)~~ The acquisition of real property in the redevelopment
344 area.

345 4.~~(d)~~ The clearance and preparation of any redevelopment
346 area for redevelopment and relocation of site occupants within
347 or outside the community redevelopment area as provided in s.
348 163.370.

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

352 ~~6.(f)~~ All expenses incidental to or connected with the
353 issuance, sale, redemption, retirement, or purchase of bonds,
354 bond anticipation notes, or other form of indebtedness,
355 including funding of any reserve, redemption, or other fund or
356 account provided for in the ordinance or resolution authorizing
357 such bonds, notes, or other form of indebtedness.

358 ~~7.(g)~~ The development of affordable housing within the
359 community redevelopment area.

360 ~~8.(h)~~ The development of community policing innovations.

361 (8) (a) Each community redevelopment agency shall provide
362 for an audit of the trust fund each fiscal year and a report of
363 such audit to be prepared by an independent certified public
364 accountant or firm.

365 (b) The audit ~~Such~~ report shall:

366 1. Describe the amount and source of deposits into, and the
367 amount and purpose of withdrawals from, the trust fund during
368 such fiscal year and the amount of principal and interest paid
369 during such year on any indebtedness to which increment revenues
370 are pledged and the remaining amount of such indebtedness.

371 2. Include a complete financial statement identifying the
372 assets, liabilities, income, and operating expenses of the
373 community redevelopment agency as of the end of such fiscal
374 year.

375 3. Include a finding by the auditor determining whether the
376 community redevelopment agency complies with the requirements of
377 subsection (7).

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378 (c) The audit report for the community redevelopment agency
379 shall be included with the annual financial report submitted by
380 the county or municipality that created the agency to the
381 Department of Financial Services as provided in s. 218.32,
382 regardless of whether the agency reports separately under s.
383 218.32.

384 (d) The agency shall provide ~~by registered mail~~ a copy of
385 the audit report to each taxing authority.

386 Section 11. Subsection (3) of section 218.32, Florida
387 Statutes, is amended to read:

388 218.32 Annual financial reports; local governmental
389 entities.—

390 (3) (a) The department shall notify the President of the
391 Senate and the Speaker of the House of Representatives of any
392 municipality that has not reported any financial activity for
393 the last 4 fiscal years. Such notice must be sufficient to
394 initiate dissolution procedures as described in s.
395 165.051(1) (a). Any special law authorizing the incorporation or
396 creation of the municipality must be included within the
397 notification.

398 (b) Failure of a county or municipality to include in its
399 annual report to the department the full audit required by s.
400 163.387(8) for each community redevelopment agency created by
401 that county or municipality constitutes a failure to report
402 under this section.

403 (c) By November 1 of each year, the department must provide
404 the Special District Accountability Program of the Department of
405 Economic Opportunity with a list of each community redevelopment
406 agency reporting no revenues, expenditures, or debt for the

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407 community redevelopment agency's previous fiscal year.

408 Section 12. This act shall take effect July 1, 2017.