

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 1242

INTRODUCER: Senator McClain

SUBJECT: Community Redevelopment Agencies

DATE: March 10, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hackett	Fleming	CA	Pre-meeting
2.	_____	_____	JU	_____
3.	_____	_____	RC	_____

I. Summary:

SB 1242 provides for the sunset of Community Redevelopment Agencies (CRAs), which are dependent special districts authorized by the Community Redevelopment Act as a means of redeveloping slums and blighted areas.

To that end, the bill provides that no such agency may be created after the bill takes effect. It further provides that existing agencies will terminate on the earlier of the expiration date in the agency's charter or September 30, 2045, unless the CRA has outstanding bonds maturing later, in which case the CRA may remain in existence until the bonds mature. A local government may not vote to extend a subordinate agency's expiration, and an agency may not initiate any new projects or issue any new debt.

The bill takes effect July 1, 2025.

II. Present Situation:

The Community Redevelopment Act

The Community Redevelopment Act of 1969 authorizes a county or municipality to create a community redevelopment agency (CRA) as a means of redeveloping slums and blighted areas.¹ The act defines a "blighted area" as an area in which there are a substantial number of deteriorated structures causing economic distress or endangerment to life or property and two or more of the factors listed in s. 163.340(8), F.S., are present. However, an area may also be classified as blighted if one factor is present and all taxing authorities with jurisdiction over the area agree that the area is blighted by interlocal agreement or by passage of a resolution by the governing bodies.²

¹ Chapter 163, F.S., part III.

² Section 163.340(8), F.S.

The act defines a “slum area” as “an area having physical or economic conditions conducive to disease, infant mortality, juvenile delinquency, poverty, or crime because there is a predominance of buildings or improvements” in poor states of repair with one of the following factors present:

- Inadequate provision for ventilation, light, air, sanitation, or open spaces;
- High density of population, compared to the population density of adjacent areas within the county or municipality, and overcrowding, as indicated by government-maintained statistics or other studies and the requirements of the Florida Building Code; or
- The existence of conditions that endanger life or property by fire or other causes.³

Creation of Community Redevelopment Agencies

Either a county or a municipal government may create a CRA. Before creating a CRA, a county or municipal government must adopt a resolution with a “finding of necessity.” This resolution must make legislative findings “supported by data and analysis” that the area to be included in the CRA’s jurisdiction is either blighted or a slum and that redevelopment of the area is necessary to promote “the public health, safety, morals, or welfare” of residents.⁴

A county or municipality may create a CRA upon the adoption of a finding of necessity and a finding that a CRA is necessary for carrying out the community redevelopment goals embodied by the act.⁵ A CRA created by a county may only operate within the boundaries of a municipality when the municipality has concurred by resolution with the community redevelopment plan adopted by the county. A CRA created by a municipality may not include more than 80 percent of the municipality if it was created after July 1, 2006.⁶

As of March 8, 2025, there are more than 200 CRAs in Florida.⁷

Community Redevelopment Plans

A community redevelopment plan must be in place before a CRA can engage in operations.⁸ Each community redevelopment plan must provide a time certain for completing all redevelopment financed by increment revenues. The time certain must occur no later than 30 years after the fiscal year in which the plan is approved, adopted, or amended pursuant to s. 163.361(1), F.S. However, for any agency created after July 1, 2002, the time certain for completing all redevelopment financed by increment revenues must occur within 40 years after the fiscal year in which the plan is approved or adopted.⁹

³ Section 163.340(7), F.S.

⁴ Section 163.355, F.S.

⁵ Section 163.356(1), F.S.

⁶ Section 163.340(10), F.S.

⁷ Dept. of Commerce, Official List of Special Districts Online, *available at*: <https://www.floridajobs.org/community-planning-and-development/special-districts/special-district-accountability-program/official-list-of-special-districts> (last visited Mar. 8, 2025).

⁸ Section 163.360(1), F.S.

⁹ Section 163.362(10), F.S.

The county, municipality, the CRA itself, or members of the public may submit a plan and the CRA then chooses which plan it will use as its community redevelopment plan. Next, the CRA must submit the plan to the local planning agency for review before the plan can be considered. The local planning agency must complete its review within 60 days.¹⁰

The CRA must submit the community redevelopment plan to the governing body that created the CRA as well as to each taxing authority that levies ad valorem taxes on taxable real property contained in the boundaries of the CRA.¹¹ The local governing body that created the CRA must hold a public hearing before the plan is approved.¹²

To approve the plan, the local governing body must make findings as specified in s. 163.360(7), F.S. The community redevelopment plan must also:

- Conform to the comprehensive plan for the county or municipality;
- Indicate land acquisition, demolition, and removal of structures; redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area; zoning and planning changes, if any; land uses; maximum densities; and building requirements; and
- Provide for the development of affordable housing in the area, or state the reasons for not addressing in the plan the development of affordable housing.¹³

2019 Amendments and CRA Sunseting

In 2019 the Legislature amended the CRA Act to increase accountability and transparency for CRAs, and introduced a mechanism to have CRAs automatically declared inactive and terminated under certain circumstances.¹⁴ Under the amendments, a CRA is declared inactive if it has no revenue, expenditures, or debt for six consecutive fiscal years.

The 2019 legislation also created s. 163.355, F.S., which provides that existing CRAs are terminated automatically at the earlier of the expiration date stated in the CRA's charter as of October 1, 2019, or on September 30, 2039. The governing board of the creating local government entity may prevent the termination of a CRA by majority vote.

Since that legislation passed, several CRAs have been extended by their local government entity. For example, the City of Fort Myers extended its CRA's termination date to September 30, 2050,¹⁵ while Miami-Dade County extended the North Miami CRA to July 13, 2044.¹⁶

¹⁰ Section 163.360(4), F.S.

¹¹ Section 163.360(5), F.S.

¹² Section 163.360(6), F.S.

¹³ Section 163.360(2), F.S.

¹⁴ Ch. 2019-163, L.O.F.

¹⁵ City of Fort Myers, Resolution 2023-14, available at https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/1831495/CFM_Agenda_2023-14_Extension_of_CRA_from_Sept_2039_to_Sept_2050.pdf (last visited Mar. 8, 2025).

¹⁶ Miami-Dade County, Resolution No. R-902-23, available at <https://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2023/232093min.pdf> (last visited Mar. 8, 2025).

III. Effect of Proposed Changes:

The bill amends s. 163.3755, F.S., to provide that a CRA in existence on July 1, 2025, shall terminate on the earlier of the expiration date than provided in the agency's charter or September 30, 2045, unless the CRA has outstanding bonds maturing later, in which case the CRA may remain in existence until the bonds mature. The bill removes the current law option for a local government to vote to extend a subordinate CRA's expiration date. The bill also provides that a CRA may not initiate any new projects or issue any new debt on or after October 1, 2025.

Furthermore, the bill provides that no CRA may be created on or after July 1, 2025.

The bill takes effect July 1, 2025.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 163.3755 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.