

# FLORIDA HOUSE OF REPRESENTATIVES

## BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

**BILL #:** [CS/HB 991](#)

**TITLE:** Community Redevelopment Agencies

**SPONSOR(S):** Giallombardo

**COMPANION BILL:** [SB 1242](#) (McClain)

**LINKED BILLS:** None

**RELATED BILLS:** None

### Committee References

[State Affairs](#)

17 Y, 8 N, As CS



[Commerce](#)

## SUMMARY

### Effect of the Bill:

The bill prohibits the creation of new community redevelopment agencies (CRAs) on or after July 1, 2025. The bill also revises the current schedule for termination of existing CRAs to provide that CRAs in existence as of July 1, 2025, terminate at the earlier of September 30, 2045, or the date provided in the CRA's charter. The bill eliminates the ability of counties and municipalities to approve the continued existence of CRAs and prohibits CRAs from initiating new projects or issuing new debt.

### Fiscal or Economic Impact:

The bill will have a positive fiscal impact on counties, municipalities, and special districts that currently contribute to the redevelopment trust fund of a CRA by allowing those governments to retain funds that would otherwise be deposited in the redevelopment trust fund.

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## ANALYSIS

### EFFECT OF THE BILL:

The bill prohibits the creation of new [community redevelopment agencies \(CRAs\)](#) on or after July 1, 2025. (Section [1](#))

The bill revises the current [schedule for termination](#) of existing CRAs to provide that CRAs in existence as of July 1, 2025, terminate on the earlier of the date provided in the CRA's charter as of July 1, 2025, or September 30, 2045 (instead of September 30, 2039), whichever date is earlier. The bill removes the ability of the governing body of a county or municipality that created the CRA to approve its continued existence by a majority vote. (Section [1](#))

The bill prohibits a CRA from initiating new projects or issuing new debt on or after October 1, 2025. The bill defines a "new project" as any project for which a CRA has not appropriated funds in its budget for the fiscal year ending September 30, 2025, or for which the CRA does not retain [redevelopment trust fund](#) monies as authorized by law for the fiscal year ending September 30, 2025. (Section [1](#))

The bill provides that if a CRA has outstanding [bonds](#) that will not mature until after the earlier of its dissolution date or September 30, 2045, the CRA will remain in existence until the bonds mature. A CRA operating in this manner on or after September 30, 2045, is prohibited from extending the maturity date of any outstanding bonds. The bill revises the current requirement for counties or municipalities that created a CRA that has outstanding bonds that mature after the dissolution deadline to issue a new finding of necessity to instead require those local governments to issue an amended community redevelopment plan. (Section [1](#))

The effective date of the bill is July 1, 2025. (Section [2](#))

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**DATE:** 4/11/2025

## FISCAL OR ECONOMIC IMPACT:

### LOCAL GOVERNMENT:

The bill will have a positive fiscal impact on counties, municipalities, and special districts that currently contribute to the redevelopment trust fund of a CRA by allowing those local governments to retain funds that would otherwise be deposited in the redevelopment trust fund.

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### [Community Redevelopment Agencies \(CRAs\)](#)

The Community Redevelopment Act of 1969 authorizes each county or municipality to create a CRA as a means for redeveloping slums and blighted areas in the community.<sup>1</sup> An area is considered a slum if it has elevated rates of disease, infant mortality, juvenile delinquency, poverty, or crime due to the large number of buildings or improvements in the area in a poor state of repair and has at least one of the following factors present:

- Inadequate ventilation, light, air, sanitation, or open spaces;
- High population density (compared to 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.<sup>2</sup>

An area is considered blighted if there are a substantial number of deteriorated or deteriorating buildings that are causing economic distress or endangering the life or property of others and where two or more of the following factors are present:

- Inadequate or defective transportation facilities, including street layout, parking, roads, and bridges;
- Aggregate property values for property tax purposes have not increased in the past five years;
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- Unsanitary or unsafe conditions;
- Deterioration of property improvements;
- Inadequate and outdated building density patterns;
- Falling lease rates for office, commercial, or industrial space compared to the rest of the county or municipality;
- Tax or special assessment delinquency that exceeds the fair market value of the land;
- Residential and commercial vacancy rates higher in the area than in the rest of the county or municipality;
- Higher crime rates than the rest of the county or municipality;
- Higher volume of fire and emergency medical service calls than the rest of the county or municipality;
- Greater number of violations of the Florida Building Code than the number of violations recorded in the remainder of the county or municipality;
- Diversity of ownership or defective or unusual conditions of title that prevent the free alienability of land within the area;
- Governmentally-owned property with adverse environmental conditions caused by a public or private entity; or
- A substantial number or percentage of properties damaged by sinkhole activity that have not been adequately repaired or stabilized.<sup>3</sup>

An area also may be classified as blighted if one of the above factors is present and all taxing authorities with jurisdiction over the area have agreed that the area is blighted by interlocal agreement or by passage of a resolution by the governing bodies.<sup>4</sup>

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<sup>1</sup> S. [163.356, F.S.](#) A charter county with a population less than or equal to 1.6 million may create more than one CRA if approved by a vote of a majority plus one of the entire governing body of the charter county. S. [163.356\(1\), F.S.](#)

<sup>2</sup> S. [163.340\(7\), F.S.](#)

<sup>3</sup> S. [163.340\(8\), F.S.](#)

<sup>4</sup> *Id.*

As of February 25, 2025, there are 213 CRAs in operation.<sup>5</sup>

### Creation of a CRA

Before creating a CRA, a county or municipal government must adopt a resolution with a “finding of necessity.”<sup>6</sup> The resolution must contain legislative findings supported by data and analysis that the area to be included in the CRA’s jurisdiction is either blighted or a slum area and that redevelopment of the area is necessary to promote the public health, safety, morals, or welfare of residents.<sup>7</sup>

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.<sup>8</sup> 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.<sup>9</sup>

The ability to create, expand, or modify a CRA is also determined by the county’s status as a charter or non-charter county. In a charter county, the county possesses the authority to create CRAs within the county, but may delegate that authority to a municipality by interlocal agreement.<sup>10</sup> In non-charter counties, the county does not have authority over the creation of CRAs by municipalities, including any modification of the redevelopment plan or expansion of CRA boundaries.<sup>11</sup>

### Scheduled Termination of CRAs

Current law provides for the dissolution of CRAs in existence on October 1, 2019, at the earlier of September 30, 2039, or the date provided in their respective charters as of October 1, 2019.<sup>12</sup> However, the governing body of the county or municipality that created the CRA may approve its continued existence beyond those dates by a majority vote. If a county or municipality does not approve the continued existence of a CRA, and the CRA has outstanding bonds that will not mature until after the agency’s dissolution date, the CRA remains in existence until the bonds mature.<sup>13</sup> A CRA operating until its bonds mature may not extend the maturity date of any outstanding bonds on or after September 30, 2039, and the county or municipality that created the CRA must issue a new finding of necessity limited to timely meeting the remaining bond obligations of the agency.

### Redevelopment Trust Fund

CRAs are not authorized to levy or collect taxes. Instead, the county or municipality that created the CRA may establish a community redevelopment trust fund that is funded through tax increment financing (TIF).<sup>14</sup> The amount of TIF available to the CRA in a given year is equal to 95 percent of the difference between:

- The amount of ad valorem taxes levied in the current year by each taxing authority,<sup>15</sup> excluding any debt service millage, on taxable real property within the boundaries of the community redevelopment area; and
- The amount of ad valorem taxes that would have been produced by levying the current year’s millage rate for each taxing authority, excluding any debt service millage, on taxable real property within the

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<sup>5</sup> See Florida Department of Commerce, [Official List of Special Districts](#) (last visited Feb. 25, 2025).

<sup>6</sup> S. [163.355, F.S.](#)

<sup>7</sup> *Id.*

<sup>8</sup> S. [163.356\(1\), F.S.](#)

<sup>9</sup> S. [163.340\(10\), F.S.](#)

<sup>10</sup> S. [163.410, F.S.](#) If a municipality in a charter county created a CRA before the adoption of the county charter, the CRA continues to operate under provisions applicable for non-charter counties.

<sup>11</sup> S. [163.415, F.S.](#)

<sup>12</sup> S. [163.3755\(1\), F.S.](#)

<sup>13</sup> S. [163.3755\(2\), F.S.](#)

<sup>14</sup> S. [163.387, F.S.](#)

<sup>15</sup> A “taxing authority” is defined as any “public body that levies or is authorized to levy an ad valorem tax on real property located in a community redevelopment area,” excluding school districts. S. [163.340, F.S.](#) In addition to school districts, special districts that levy ad valorem taxes in more than one county, special districts funded solely by ad valorem taxation, library districts (unless the CRA had validated bonds as of April 30, 1984), neighborhood improvement districts, metropolitan transportation authorities, water management districts, and hospital districts (if the CRA was created on or after July 1, 2016) are exempt from contributing to the redevelopment trust fund. In addition, CRAs may exempt other special districts following a specified procedure. S. [163.387\(2\)\(c\)-\(d\), F.S.](#)

boundaries of the community redevelopment area at the total assessed value of the taxable real property prior to the effective date of the ordinance providing for the redevelopment trust fund.<sup>16</sup>

For CRAs created on or after October 1, 2019, or a CRA created by Miami-Dade County on or after July 1, 1994, the governing body of the county or municipality may lower the TIF percentage, with a floor of 50 percent.<sup>17</sup>

Each taxing authority must transfer TIF funds to the redevelopment trust fund of the CRA by January 1 of each year.<sup>18</sup> For CRAs created before July 1, 2002, each taxing authority must make an annual appropriation to the trust fund for a period of no more than 60 years from when the community redevelopment plan was adopted or no more than 30 years from when the plan was amended, whichever is less. For CRAs created on or after July 1, 2002, each taxing authority must make an annual appropriation to the trust fund for no more than 40 years from when the community redevelopment plan was adopted.<sup>19</sup> If there are any outstanding loans, advances, or indebtedness at the conclusion of these periods, the local governing body that created the CRA must continue transfers to the redevelopment trust fund until the debt has been retired.<sup>20</sup>

If a taxing authority does not transfer the TIF funds to the redevelopment trust fund, the taxing authority is required to pay a penalty of 5 percent of the TIF amount to the trust fund as well as 1 percent interest per month for the outstanding amount.<sup>21</sup> A CRA may choose to waive these penalties in whole or in part.

Money in the redevelopment trust fund may only be spent pursuant to an annual budget adopted by the CRA board and may be used to pay for the following expenses:

- Administrative and overhead expenses necessary to implement a community redevelopment plan adopted by the CRA.
- Expenses of redevelopment planning, surveys, and financial analysis, including reimbursement of the governing body or the CRA for such expenses incurred before the redevelopment plan was approved and adopted.
- Acquisition of real property in the redevelopment area.
- Clearance and preparation of any redevelopment area for redevelopment and relocation of residents.
- Repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness.
- Expenses related to the issuance, sale, redemption, retirement, or purchase of bonds, bond anticipation notes, or other form of indebtedness.
- Development of affordable housing within the community redevelopment area.
- Development of community policing innovations.<sup>22</sup>
- Any expenses that are necessary to exercise the powers that have been granted to counties and municipalities for community redevelopment that have been delegated to the CRA.<sup>23</sup>

If any money remains in the redevelopment trust fund at the end of a fiscal year, the CRA must:

- Return the money to each taxing authority in proportion to its contribution for that year;
- Use the funds to reduce the amount of any indebtedness to which increment revenues are pledged;
- Deposit the funds into an escrow account for the purpose of later reducing any indebtedness to which increment revenues are pledged; or
- Appropriate the funds to a specific redevelopment project pursuant to an approved community redevelopment plan.<sup>24</sup>

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<sup>16</sup> S. [163.387\(1\), F.S.](#)

<sup>17</sup> See [ch. 2019-163, s. 8, Laws of Fla.](#)

<sup>18</sup> S. [163.387\(2\)\(a\), F.S.](#)

<sup>19</sup> S. [163.387\(2\)\(a\), F.S.](#)

<sup>20</sup> S. [163.387\(3\)\(a\), F.S.](#)

<sup>21</sup> S. [163.387\(2\)\(b\), F.S.](#)

<sup>22</sup> A “community policing innovation” is a policing technique or strategy designed to reduce crime by reducing opportunities for, and increasing the perceived risks of engaging in, criminal activity through visible presence of police in the community, including, but not limited to, community mobilization, neighborhood block watch, citizen patrol, citizen contact patrol, foot patrol, neighborhood storefront police stations, field interrogation, or intensified motorized patrol. S. [163.340\(23\), F.S.](#)

<sup>23</sup> S. [163.387\(6\), F.S.](#)

If the funds are appropriated for a specific project, the funds may not be used for another purpose unless the project is amended, redesigned, or delayed, in which case the funds must be re-appropriated pursuant to the next annual budget adopted by the CRA board.<sup>25</sup>

### **Revenue Bonds**

A county, municipality, or CRA may issue revenue bonds for the purpose of financing redevelopment projects and may issue refunding bonds for the repayment or retirement of bonds or other obligations previously issued.<sup>26</sup> Any revenue bonds or other obligation issued by a CRA must mature within 40 years for CRAs created on or after July 1, 2002, or 60 years for CRAs created before July 1, 2002, after the end of the fiscal year in which the community redevelopment plan was initially adopted, but no later than the expiration date of the plan in effect at the time the bond or obligation was issued.

Any revenue bonds issued by the CRA are payable from revenues pledged to and received by the CRA and deposited into the redevelopment trust fund.<sup>27</sup> If increment revenues are pledged to repay any bond or other obligation, the maturity date of the bonds may not exceed 30 years from the fiscal year in which the first increment revenues were deposited in the trust fund for CRAs created before July 1, 2002, or 40 years for CRAs created on or after July 1, 2002.<sup>28</sup> The lien created by the revenue bonds does not attach to the funds until the revenues are deposited in the redevelopment trust fund and do not grant bondholders any right to require taxation in order to retire the bond.<sup>29</sup>

Revenue bonds issued by a CRA are not a liability of the state or any political subdivision of the state, and this status must be made clear on the face of the bond.<sup>30</sup>

## **BILL HISTORY**

<b>COMMITTEE REFERENCE</b>	<b>ACTION</b>	<b>DATE</b>	<b>STAFF DIRECTOR/ POLICY CHIEF</b>	<b>ANALYSIS PREPARED BY</b>
<a href="#">State Affairs Committee</a>	17 Y, 8 N, As CS	3/13/2025	Williamson	Darden
THE CHANGES ADOPTED BY THE COMMITTEE:	<ul style="list-style-type: none"> <li>Provides a definition for “new project.”</li> <li>Revises the requirement for counties or municipalities that created a CRA that has outstanding bonds that mature after the dissolution deadline to issue a new finding of necessity to instead issue an amended community redevelopment plan.</li> </ul>			
<a href="#">Commerce Committee</a>			Hamon	Keating

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**THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.**  
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<sup>24</sup> S. [163.387\(7\), F.S.](#)

<sup>25</sup> S. [163.387\(7\)\(d\), F.S.](#)

<sup>26</sup> S. [163.385\(1\)\(a\), F.S.](#)

<sup>27</sup> S. [163.387\(4\), F.S.](#)

<sup>28</sup> S. [163.385\(1\)\(a\), F.S.](#)

<sup>29</sup> S. [163.387\(4\), F.S.](#)

<sup>30</sup> S. [163.387\(5\), F.S.](#)