A bill to be entitled

An act relating to community redevelopment agencies; amending s. 112.3142, F.S.; specifying ethics training requirements for community redevelopment agency commissioners; amending s. 163.356, F.S.; requiring a county or municipality, by resolution, to petition the Legislature to create a new community redevelopment agency; establishing procedures for appointing members of the board of the community redevelopment agency; providing reporting requirements; deleting provisions requiring certain annual reports; amending s. 163.367, F.S.; requiring ethics training for community redevelopment agency commissioners; amending s. 163.370, F.S.; establishing procurement procedures; creating s. 163.371, F.S.; providing annual reporting requirements; requiring publication of notices of reports; requiring reports to be available for inspection in designated places; requiring a community redevelopment agency to post annual reports and boundary maps on its website; creating s. 163.3755, F.S.; providing termination dates for certain community redevelopment agencies; requiring the creation of new community redevelopment agencies to occur by special act after a date certain; providing a phase-out period for existing community redevelopment agencies under specified circumstances; creating s. 163.3756, F.S.; providing legislative findings; requiring the Department of Economic Opportunity to declare inactive community redevelopment agencies that have reported no financial activity for a specified number of years; providing hearing procedures; authorizing certain financial activity by a community redevelopment agency that is declared inactive; requiring the Department of Economic Opportunity to maintain a website identifying all inactive community redevelopment agencies; amending s. 163.387, F.S.; specifying the level of tax increment financing that the governing body may establish for funding the redevelopment trust fund; revising requirements for the expenditure of redevelopment trust fund proceeds; revising requirements for the annual budget of a community redevelopment agency; requiring municipal community redevelopment agencies to provide annual budget to county commission; specifying allowed expenditures from the annual budget; revising requirements for use of moneys in the redevelopment trust fund for specific redevelopment projects; revising requirements for the annual audit; requiring the audit to be included with the financial report of the county or municipality that created the community redevelopment agency; amending s. 218.32, F.S.; requiring county and municipal governments to submit community redevelopment agency annual audit reports as part of an annual report; revising criteria for finding that a county or municipality failed to file a report; requiring the Department of Financial Services to provide to the Department of Economic Opportunity a list of community redevelopment agencies with no revenues, no expenditures, and no debts; providing an effective date.

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

Section 1. Subsection (2) of section 112.3142, Florida Statutes, is amended to read:

112.3142 Ethics training for specified constitutional officers and elected municipal officers.—

(2)(a) All constitutional officers must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

(b) Beginning January 1, 2015, all elected municipal officers must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

<u>(c) Beginning October 1, 2018, each commissioner of a community redevelopment agency under part III of chapter 163 must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.</u>

<u>(d)</u> ~~(c)~~ The commission shall adopt rules establishing minimum course content for the portion of an ethics training class which addresses s. 8, Art. II of the State Constitution and the Code of Ethics for Public Officers and Employees.

<u>(e)</u> ~~(d)~~ The Legislature intends that a constitutional officer or elected municipal officer who is required to complete

ethics training pursuant to this section receive the required training as close as possible to the date that he or she assumes office. A constitutional officer or elected municipal officer assuming a new office or new term of office on or before March 31 must complete the annual training on or before December 31 of the year in which the term of office began. A constitutional officer or elected municipal officer assuming a new office or new term of office after March 31 is not required to complete ethics training for the calendar year in which the term of office began.

Section 2. Subsections (1), (2), and (3) of section 163.356, Florida Statutes, are amended to read:

163.356 Creation of community redevelopment agency.—

(1) Upon a finding of necessity as set forth in s. 163.355, and upon a further finding that there is a need for a community redevelopment agency to function in the county or municipality to carry out the community redevelopment purposes of this part, any county or municipality may, by resolution, petition the Legislature to create a public body corporate and politic to be known as a "community redevelopment agency." ~~A charter county having a population less than or equal to 1.6 million may create, by a vote of at least a majority plus one of the entire governing body of the charter county, more than one community redevelopment agency.~~ Each such agency shall be constituted as a public instrumentality, and the exercise by a

community redevelopment agency of the powers conferred by this part shall be deemed and held to be the performance of an essential public function. Community redevelopment agencies of a county have the power to function within the corporate limits of a municipality only as, if, and when the governing body of the municipality has by resolution concurred in the community redevelopment plan or plans proposed by the governing body of the county.

(2) As of the creation date of a community redevelopment agency, the governing ~~When the governing body adopts a resolution declaring the need for a community redevelopment agency, that~~ body shall, by ordinance, appoint a board of commissioners of the community redevelopment agency, which shall consist of not fewer than five or more than nine commissioners. The terms of office of the commissioners shall be for 4 years, except that three of the members first appointed shall be designated to serve terms of 1, 2, and 3 years, respectively, from the date of their appointments, and all other members shall be designated to serve for terms of 4 years from the date of their appointments. A vacancy occurring during a term shall be filled for the unexpired term. As provided in an interlocal agreement between the governing body that created the agency and one or more taxing authorities, one or more members of the board of commissioners of the agency may be representatives of a taxing authority, including members of that taxing authority's

governing body, whose membership on the board of commissioners of the agency would be considered an additional duty of office as a member of the taxing authority governing body.

(3)(a) A commissioner shall receive no compensation for services, but is entitled to the necessary expenses, including travel expenses, incurred in the discharge of duties. Each commissioner shall hold office until his or her successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner shall be filed with the clerk of the county or municipality, and such certificate is conclusive evidence of the due and proper appointment of such commissioner.

(b) The powers of a community redevelopment agency shall be exercised by the commissioners thereof. A majority of the commissioners constitutes a quorum for the purpose of conducting business and exercising the powers of the agency and for all other purposes. Action may be taken by the agency upon a vote of a majority of the commissioners present, unless in any case the bylaws require a larger number. Any person may be appointed as commissioner if he or she resides or is engaged in business, which means owning a business, practicing a profession, or performing a service for compensation, or serving as an officer or director of a corporation or other business entity so engaged, within the area of operation of the agency, which shall be coterminous with the area of operation of the county or municipality, and is otherwise eligible for such appointment under this part.

(c) The governing body of the county or municipality shall designate a chair and vice chair from among the commissioners. An agency may employ an executive director, technical experts, and such other agents and employees, permanent and temporary, as it requires, and determine their qualifications, duties, and compensation. For such legal service as it requires, an agency may employ or retain its own counsel and legal staff.

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

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

Section 3. Subsection (1) of section 163.367, Florida Statutes, is amended to read:

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

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

<u>(b) Commissioners of a community redevelopment agency must comply with the ethics training requirements in s. 112.3142.</u>

Section 4. Subsection (5) is added to section 163.370, Florida Statutes, to read:

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

<u>(5) A community redevelopment agency shall procure all commodities and services using the same purchasing processes and requirements that apply to the county or municipality that created the community redevelopment agency.</u>

Section 5. Section 163.371, Florida Statutes, is created to read:

<u>163.371 Reporting requirements.—</u>

<u>(1) Beginning March 31, 2019, and no later than March 31</u>

of each year thereafter, a community redevelopment agency shall file an annual report with the county or municipality that created the agency and post the report on the agency's website. At the time the report is filed and posted on the website, the agency shall also publish in a newspaper of general circulation in the community a notice that such report has been filed with the county or municipality and that the report is available for inspection during business hours in the office of the clerk of the city or county commission, in the office of the agency, and on the website of the agency. The report must include the following information:

(a) The most recent audit report for the community redevelopment agency prepared pursuant to s. 163.387(8).

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

1. Total number of projects started, total number of projects completed, and estimated project cost for each project.

2. Total expenditures from the redevelopment trust fund.

3. Assessed real property values of property located within the boundaries of the community redevelopment agency as of the day the agency was created.

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

5. Earliest data available as of the date the agency was created, providing total commercial property vacancy rates within the community redevelopment agency.

6. Total commercial property vacancy rates within the boundaries of the community redevelopment agency.

7. Assessed real property values for redeveloped properties within the boundaries of the community redevelopment agency as of January 1 of the year being reported.

8. Earliest data available as of the day the agency was created, providing total housing vacancy rates within the boundaries of the community redevelopment agency.

9. Total housing vacancy rates within the boundaries of the community redevelopment agency.

10. Total number of code enforcement violations within the boundaries of the community redevelopment agency.

11. Total amount expended for affordable housing for low and middle income residents, if the community redevelopment agency has affordable housing as part of its community redevelopment plan.

12. Name of the sponsor or donor and total amount sponsored or donated for sponsorships and donations that were made to the community redevelopment agency.

13. Ratio of redevelopment funds to private funds expended within the boundaries of the community redevelopment agency.

(2) By January 1, 2019, each community redevelopment

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

Section 6. Section 163.3755, Florida Statutes, is created to read:

163.3755 Termination of community redevelopment agencies; prohibition on future creation.—

(1) A community redevelopment agency in existence on October 1, 2018, shall terminate on the expiration date provided in the agency's charter on October 1, 2018, or on September 30, 2038, whichever is earlier, unless the governing body of the county or municipality that created the community redevelopment agency approves its continued existence by a super majority (majority plus one) vote of the members of the governing body.

(2)(a) If the governing body of the county or municipality that created the community redevelopment agency does not approve its continued existence by a super majority (majority plus one) vote of the governing body members, a community redevelopment agency with outstanding bonds as of October 1, 2018, that do not mature until after the earlier of the termination date of the agency or September 30, 2038, remains in existence until the date the bonds mature.

(b) A community redevelopment agency operating under this subsection on or after September 30, 2038, may not extend the maturity date of any outstanding bonds.

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

(3) On or after October 1, 2018, a community redevelopment agency may be created only by special act of the Legislature. A community redevelopment agency in existence before October 1, 2018, may continue to operate as provided in this part.

Section 7. Section 163.3756, Florida Statutes, is created to read:

163.3756 Inactive community redevelopment agencies.—

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

(2)(a) A community redevelopment agency that has reported no revenues, no expenditures, and no debt under s. 218.32 or s. 189.016(9), for 4 consecutive fiscal years beginning on October 1, 2014, shall be declared inactive by the Department of Economic Opportunity. The department shall notify the agency of the declaration of inactive status under this subsection. If the agency has no board members or no agent, the notice of inactive status must be delivered to the governing board or commission of the county or municipality that created the agency.

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

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

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

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

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

Section 8. Paragraph (a) of subsection (1), subsection (6), paragraph (d) of subsection (7), and subsection (8) of section 163.387, Florida Statutes, are amended to read:

163.387 Redevelopment trust fund.—

(1)(a) After approval of a community redevelopment plan, there may be established for each community redevelopment agency created under s. 163.356 a redevelopment trust fund. Funds allocated to and deposited into this fund shall be used by the agency to finance or refinance any community redevelopment it undertakes pursuant to the approved community redevelopment plan. No community redevelopment agency may receive or spend any increment revenues pursuant to this section unless and until the governing body has, by ordinance, created the trust fund and provided for the funding of the redevelopment trust fund until the time certain set forth in the community redevelopment plan as required by s. 163.362(10). Such ordinance may be adopted only after the governing body has approved a community redevelopment plan. The annual funding of the redevelopment trust fund shall be in an amount not less than that increment in the income, proceeds, revenues, and funds of each taxing authority derived from or held in connection with the undertaking and carrying out of community redevelopment under this part. Such increment shall be determined annually and shall be that amount equal to 95 percent of the difference between:

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

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

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

(6) Beginning October 1, 2018, moneys in the redevelopment trust fund may be expended ~~from time to time~~ for undertakings of a community redevelopment agency as described in the community redevelopment plan only pursuant to an annual budget adopted by the board of commissioners of the community redevelopment agency and only for the following purposes~~, including, but not limited to~~:

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

(b) A community redevelopment agency created by a municipality shall submit its operating budget to the board of county commissioners for the county in which the agency is located within 10 days after the adoption of such budget and submit amendments of its operating budget to the board of county commissioners within 10 days after the date the budget is adopted. ~~Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency.~~

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

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

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

3.~~(c)~~ The acquisition of real property in the redevelopment area.

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

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

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

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

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

9. Expenses that are necessary to exercise the powers approved under s. 163.370.

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

(d) Appropriated to a specific redevelopment project pursuant to an approved community redevelopment plan. The funds appropriated for such project may not be changed unless the project is amended, redesigned, or delayed, in which case the funds must be reappropriated pursuant to the next annual budget adopted by the board of commissioners of the community redevelopment agency ~~which project will be completed within 3 years from the date of such appropriation~~.

(8)(a) Each community redevelopment agency with revenues or a total of expenditures and expenses in excess of $100,000, as reported on the trust fund financial statements, shall provide for a financial ~~an~~ audit ~~of the trust fund~~ each fiscal year and a report of such audit shall ~~to~~ be prepared by an independent certified public accountant or firm. Each financial audit provided pursuant to this subsection shall be conducted in accordance with rules for audits adopted by the Auditor General which are in effect as of the last day of the community redevelopment agency's fiscal year being audited.

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

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

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

3. Include a finding by the auditor determining whether

the community redevelopment agency complied with the requirements of subsections (6) and (7).

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

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

Section 9. Subsection (4) is added to section 218.32, Florida Statutes, to read:

218.32 Annual financial reports; local governmental entities.—

(4)(a) A local governmental entity that does not include with its annual financial report submitted to the department the audit report required by s. 163.387(8) for each community redevelopment agency created by the reporting entity shall be deemed to have failed to submit an annual financial report. The department shall report such failure to the Legislative Auditing Committee and the Special District Accountability Program of the Department of Economic Opportunity.

(b) By November 1 of each year, the department must provide the Special District Accountability Program with a list of each community redevelopment agency reporting no revenues, no expenditures, and no debt for the community redevelopment agency's previous fiscal year.

Section 10. This act shall take effect October 1, 2018.