By Senator Lee

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A bill to be entitled

An act relating to community redevelopment agencies; creating s. 112.327, F.S.; defining terms; prohibiting a person from lobbying a community redevelopment agency until he or she has registered as a lobbyist with that agency; providing registration requirements; requiring an agency to make lobbyist registrations available to the public; requiring a database of currently registered lobbyists and principals to be available on certain websites; requiring a lobbyist to send a written statement to the agency canceling the registration for a principal that he or she no longer represents; authorizing an agency to remove the name of a lobbyist from the list of registered lobbyists under certain circumstances; authorizing an agency to establish an annual lobbyist registration fee, not to exceed a specified amount; requiring an agency to be diligent in ascertaining whether persons required to register have complied, subject to certain requirements; requiring the Commission on Ethics to investigate a lobbyist or principal under certain circumstances, subject to certain requirements; requiring the commission to provide the Governor with a report of its findings and recommendations in such investigations; authorizing the Governor to enforce the commission’s findings and recommendations; authorizing community redevelopment agencies to adopt rules to govern the registration of lobbyists; amending s. 112.3142, F.S.; requiring ethics training

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for community redevelopment agency commissioners; specifying requirements for such training; amending s. 163.340, F.S.; revising the definition of the term “blighted area”; amending s. 163.356, F.S.; revising reporting requirements; deleting provisions requiring certain annual reports; amending s. 163.357, F.S.; requiring, rather than authorizing, a governing body that consists of five members to appoint two additional persons to act as members of the community redevelopment agency; providing requirements for the additional members; amending s. 163.367, F.S.; requiring ethics training for community redevelopment agency commissioners; amending s. 163.370, F.S.; revising the list of projects that are prohibited from being financed by increment revenues; requiring community redevelopment agencies to follow certain procurement procedures; creating s. 163.371, F.S.; providing annual reporting requirements; requiring a community redevelopment agency to publish annual reports and boundary maps on its website; 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; providing for application; requiring the department to maintain a website identifying all inactive community redevelopment agencies; amending s. 163.387, F.S.; effective on a specified date, revising requirements for the use of redevelopment trust fund proceeds; limiting allowed expenditures; revising requirements for the annual budget of a community redevelopment agency; requiring municipal community redevelopment agencies to provide an annual budget to the county commission; 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.; revising criteria for finding that a county or municipality failed to file a report; requiring the Department of Financial Services to provide a report to the Department of Economic Opportunity concerning community redevelopment agencies reporting no revenues, expenditures, or debts; amending s. 163.524, F.S.; conforming a cross-reference; making technical changes; providing an effective date.

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

Section 1. Section 112.327, Florida Statutes, is created to read:

112.327 Lobbying before community redevelopment agencies; registration and reporting.—

<u>(1) As used in this section, the term:</u>

<u>(a) "Agency" or "community redevelopment agency" means a public agency created by, or designated pursuant to, s. 163.356 or s. 163.357 and operating under the authority of part III of chapter 163.</u>

<u>(b) "Lobby" means to seek to influence an agency with respect to a decision of the agency in an area of policy or procurement or to attempt to obtain the goodwill of an agency official or employee on behalf of another person. The term shall be interpreted and applied consistently with the rules of the commission implementing s. 112.3215.</u>

<u>(c) "Lobbyist" has the same meaning as provided in s. 112.3215.</u>

<u>(d) "Principal" has the same meaning as provided in s. 112.3215.</u>

<u>(2) A person may not lobby an agency until he or she has registered as a lobbyist with that agency. Such registration shall be due upon the person initially being retained to lobby and is renewable on a calendar-year basis thereafter. Upon registration, the person shall provide a statement, signed by the principal or principal's representative, stating that the registrant is authorized to represent the principal. The principal shall also identify and designate its main business on the statement authorizing that lobbyist pursuant to a classification system approved by the agency. Any changes to the information required by this section must be disclosed within 15 days by filing a new registration form. An agency may create its own lobbyist registration forms or may accept a completed legislative branch or executive branch lobbyist registration</u>

form. In completing the form required by the agency, the registrant must disclose, under oath, the following:

(a) His or her name and business address.

(b) The name and business address of each principal represented.

(c) The existence of any direct or indirect business association, partnership, or financial relationship with any officer or employee of an agency with which he or she lobbies or intends to lobby.

(3) An agency shall make lobbyist registrations available to the public. If an agency maintains a website, a database of currently registered lobbyists and principals must be available on that website. If the agency does not maintain a website, the database of currently registered lobbyists and principals must be available on the website of the county or municipality that created the agency.

(4) A lobbyist shall promptly send a written statement to the agency canceling the registration for a principal upon termination of the lobbyist’s representation of that principal. An agency may remove the name of a lobbyist from the list of registered lobbyists if the principal notifies the agency that a person is no longer authorized to represent that principal.

(5) An agency may establish an annual lobbyist registration fee, not to exceed $40, for each principal represented. The agency may use registration fees only for the purpose of administering this section.

(6) An agency shall be diligent in ascertaining whether persons required to register under this section have complied. An agency may not knowingly authorize an unregistered person to

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lobby the agency.

(7) Upon receipt of a sworn complaint alleging that a lobbyist or principal has failed to register with an agency or has knowingly submitted false information in a report or registration required under this section, the commission shall investigate a lobbyist or principal pursuant to the procedures established under s. 112.324. The commission shall provide the Governor with a report of its findings and recommendations in any investigation conducted pursuant to this subsection. The Governor may enforce the commission’s findings and recommendations.

(8) Community redevelopment agencies may adopt rules to govern the registration of lobbyists, including the adoption of forms and the establishment of the lobbyist registration fee.

Section 2. 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.

(c) <u>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 subject material is covered by such class.</u>

<u>(d)</u> 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 3. 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 before ~~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 fair value of the land.

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

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

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

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

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

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

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

<u>(p) Rates of unemployment higher in the area than in the remainder of the county or municipality.</u>

<u>(q) Rates of poverty higher in the area than in the remainder of the county or municipality.</u>

<u>(r) Rates of foreclosure higher in the area than in the remainder of the county or municipality.</u>

<u>(s) Rates of infant mortality higher in the area than in the remainder of the county or municipality.</u>

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

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

Section 4. Paragraphs (c) and (d) of subsection (3) of section 163.356, Florida Statutes, are amended to read:

163.356 Creation of community redevelopment agency.—

(3)(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 pursuant to 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~~

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~~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 5. Paragraph (c) of subsection (1) of section 163.357, Florida Statutes, is amended to read:

163.357 Governing body as the community redevelopment agency.—

(1)

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

Section 6. 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)(a) The officers, commissioners, and employees of a community redevelopment agency created by, or designated pursuant to, s. 163.356 or s. 163.357 are ~~shall be~~ subject to ~~the provisions and requirements of~~ part III of chapter 112.

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

Section 7. Paragraphs (d), (e), and (f) are added to subsection (3) of section 163.370, Florida Statutes, and subsection (5) is added to that section, to read:

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

(3) The following projects may not be paid for or financed by increment revenues:

(d) Community redevelopment agency activities related to festivals or street parties designed to promote tourism.

(e) Grants to entities that promote tourism.

(f) Grants to nonprofit entities providing socially beneficial programs.

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

Section 8. Section 163.371, Florida Statutes, is created to read:

163.371 Reporting requirements.—

(1) Beginning March 31, 2019, and no later than March 31 of each year thereafter, a community redevelopment agency shall

file an annual report with the county or municipality that created the agency and publish the information on the agency’s website. The report must include the following information:

(a) A complete audit report of the redevelopment trust fund 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 and completed and the estimated cost for each project.

2. Total expenditures from the redevelopment trust fund.

3. Original assessed real property values within the community redevelopment agency’s area of authority 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. Total amount expended for affordable housing for low-income and middle-income residents.

(c) A summary indicating if and to what extent the community redevelopment agency has achieved the goals set out in its community redevelopment plan.

(2) By January 1, 2019, each community redevelopment agency shall publish 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 9. 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 report to the Department of Financial Services pursuant to s. 218.32.

(2)(a) A community redevelopment agency that has reported no revenues, expenditures, or debt under s. 218.32 or s. 189.016(9) for 3 consecutive fiscal years calculated from no earlier than October 1, 2015, shall be declared inactive by the Department of Economic Opportunity, which shall notify the agency of the declaration of inactive status under this subsection. If the agency has no board members and no agent, the notice of inactive status must be delivered to the governing board or commission of the county or municipality which 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 of Economic Opportunity.

(3) A community redevelopment agency declared inactive under this section is authorized to expend funds only 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 which 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 10. Subsections (6) and (8) of section 163.387, Florida Statutes, are amended to read:

163.387 Redevelopment trust fund.—

(6) Effective 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 stated in this subsection.~~,~~ ~~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 annual 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 annual budget to the board of county commissioners within 10 days after the date the amended 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. However, administrative and overhead expenses may not exceed 18 percent of the total annual budget of the community redevelopment 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. Infrastructure improvement, building construction, and building renovation, including improvements, construction, and renovation related to parking lots, parking garages, and neighborhood parks.

10. Grants and loans to businesses for facade improvements, signage, sprinkler system upgrades, and other structural improvements.

(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 must 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 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 complies with the requirements of subsection (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 11. Subsection (3) of section 218.32, Florida Statutes, is amended to read:

218.32 Annual financial reports; local governmental entities.—

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

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

(c) By November 1 of each year, the department must provide the Special District Accountability Program of the Department of

Economic Opportunity with a list of each community redevelopment agency reporting no revenues, expenditures, or debt for the community redevelopment agency's previous fiscal year.

Section 12. Subsection (3) of section 163.524, Florida Statutes, is amended to read:

163.524 Neighborhood Preservation and Enhancement Program; participation; creation of Neighborhood Preservation and Enhancement Districts; creation of Neighborhood Councils and Neighborhood Enhancement Plans.—

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

Section 13. This act shall take effect July 1, 2018.