

Hall of the House of Representatives
85th General Assembly - Regular Session, 2005
Amendment Form

Subtitle of House Bill No. 2967

"AN ACT TO ESTABLISH CRITERIA FOR THE CREATION OF REDEVELOPMENT
DISTRICTS BY CITIES AND COUNTIES."

Amendment No. 1 to House Bill No. 2967.

Amend House Bill No. 2967 as originally introduced:

Page 1, delete lines 21 and 22 and substitute the following:

"SECTION 1. Arkansas Code § 14-168-305 is amended to read as follows:
14-168-305. Creation of district.

(a) The local governing body, upon its own initiative or upon request of affected property owners or upon request of the city or county planning commission, may designate the boundaries of a proposed redevelopment district.

(b)(1) The local governing body shall hold a public hearing at which interested parties are afforded a reasonable opportunity to express their views on the proposed creation of a redevelopment district and its proposed boundaries.

(2)(A) Notice of the hearing shall be published in a newspaper of general circulation in the city or county at least fifteen (15) days prior to the hearing.

(B) Prior to this publication, a copy of the notice shall be sent by first-class mail to the chief executive officer of all local governmental and taxing entities having the power to levy taxes on property located within the proposed redevelopment district and to the school board of any school district which includes property located within the proposed redevelopment district.

(c) After the publication of notice and the hearing on the proposed redevelopment district, the local governing body shall determine if the proposed redevelopment district is consistent with the purposes of this subchapter and, when making the determination, shall take into consideration the following factors:

(1) The timing, number, and types of new jobs to be created by the proposed redevelopment district;

(2) The type of industry that the proposed redevelopment district would promote;

(3) Whether the project would occur within the State of Arkansas if the proposed redevelopment district is not created; and

(4) Whether the anticipated benefits in employment generated by the proposed redevelopment district, both on a direct and indirect multiplier



basis, provide an adequate net benefit to the public when compared to the local tax revenues and fees invested by those entities whose tax revenues are affected by the proposed redevelopment district.

(d) The governing body shall not approve a proposed redevelopment district unless the governing body:

(1) Certifies that there is a reasonable expectation that the property taxes on the properties adjacent to the redevelopment district will increase more than they would have without the creation of the proposed redevelopment district;

(2) Determines that the boundaries of the proposed redevelopment district are in a blighted area, which includes an improved area within the boundaries of the proposed redevelopment district where the total equalized assessed value of the proposed redevelopment district has declined for the last two (2) county appraisal cycles; and

(3) Determines that private improvements for the proposed redevelopment district exceed twenty-five percent (25%) of the total value of the county appraisal of the proposed redevelopment district, excluding road, utility and drainage costs or other improvements proposed for the redevelopment district that are paid for with public funds.

~~(e)~~(e) The After the requirements in this section are met, the local governing body shall adopt an ordinance creating the redevelopment district which:

(1) Describes the boundaries of a redevelopment district sufficiently definite to identify with ordinary and reasonable certainty the territory included in, which boundaries may create a contiguous or noncontiguous district;

(2) Creates the redevelopment district as of a date provided in it;

(3)(A) Assigns a name to the redevelopment district for identification purposes.

(B) The name may include a geographic or other designation, shall identify the city or county authorizing the district, and shall be assigned a number, beginning with the number one (1).

(C) Each subsequently created district shall be assigned the next consecutive number; and

(4) Contains findings that the real property within the redevelopment district will be benefited by eliminating or preventing the development or spread of slums or blighted, deteriorated, or deteriorating areas, or discouraging the loss of commerce, industry, or employment, or increasing employment, or any combination thereof.

~~(d)~~(f)(1) No county shall establish a redevelopment district, any portion of which is within the boundaries of a city.

(2) Provided, however, that one (1) or more local governments through interlocal agreement may join in the creation of a district, the boundaries of which lie in one (1) or more local governments.

~~(e)~~(g)(1) The ordinance shall establish a special fund as a separate fund into which all tax increment revenues and other revenues designated by the local government for the benefit of the redevelopment district shall be deposited, and from which all project costs shall be paid.

(2) Such special fund may be assigned to and held by a trustee for the benefit of bondholders if tax increment financing is used.

~~(f)~~(h)(1) The boundaries of the redevelopment district may be modified

from time to time by ordinance of the local government.

(2) Provided, however, that in the event any bonds, notes or other obligations are outstanding with respect to the redevelopment district, any change in the boundaries shall not reduce the amount of tax increment available to secure such tax increment financing.

(3)(A) A redevelopment district shall become active within five (5) years of its creation by:

(i) Issuing bonds, notes, or other indebtedness obligations; or

(ii) Substantial completion of planned improvements.

(B) A redevelopment district failing to meet the requirements of subdivision (h)(3)(A) of this section shall be dissolved.

SECTION 2. Arkansas Code § 14-168-322 is amended to read as follows:
14-168-322. Impact reports.

(a) The local governing body shall report annually to the Assessment Coordination Department the current value and incremental value of a redevelopment district and the properties adjacent to the redevelopment district.

(b) The Assessment Coordination Department, in cooperation with other state agencies and local governments, shall make a comprehensive impact report to the Governor and to the General Assembly at the beginning of each biennium as to the economic, social, and financial effect and impact of community redevelopment financing projects."

The Amendment was read _____

By: Representative Saunders
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Chief Clerk