

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H3/21/05 H3/24/05

A Bill

HOUSE BILL 2967

5 By: Representative Saunders
6
7

For An Act To Be Entitled

9 AN ACT TO ESTABLISH CRITERIA FOR THE CREATION OF
10 REDEVELOPMENT DISTRICTS BY CITIES AND COUNTIES;
11 AND FOR OTHER PURPOSES.
12

Subtitle

14 AN ACT TO ESTABLISH CRITERIA FOR THE
15 CREATION OF REDEVELOPMENT DISTRICTS BY
16 CITIES AND COUNTIES.
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 *SECTION 1. Arkansas Code § 14-168-305 is amended to read as follows:*
22 *14-168-305. Creation of district.*

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

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

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

34 *(B) Prior to this publication, a copy of the notice shall*
35 *be sent by first-class mail to the chief executive officer of all local*
36 *governmental and taxing entities having the power to levy taxes on property*



1 located within the proposed redevelopment district and to the school board of
2 any school district which includes property located within the proposed
3 redevelopment district.

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

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

11 (2) The type of industry that the proposed redemption
12 district would promote;

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

15 (4) Whether the anticipated benefits in employment generated by
16 the proposed redemption district, both on a direct and indirect multiplier
17 basis, provide an adequate net benefit to the public when compared to the
18 local tax revenues and fees invested by those entities whose tax revenues are
19 affected by the proposed redemption district.

20 (d) The governing body shall not approve a proposed redemption
21 district unless the governing body:

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

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

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

36 ~~(e)~~ (e) The After the requirements in this section are met, the local

1 governing body shall adopt an ordinance creating the redevelopment district
2 which:

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

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

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

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

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

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

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

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

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

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

32 ~~(f)~~(h)(1) The boundaries of the redevelopment district may be modified
33 from time to time by ordinance of the local government.

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

1 available to secure such tax increment financing.

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

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

6 (ii) Substantial completion of planned improvements.

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

9
10 SECTION 2. Arkansas Code § 14-168-322 is amended to read as follows:
11 14-168-322. Impact reports.

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

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

21
22 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
23 General Assembly of the State of Arkansas that under current law broad
24 discretion is given to local governing bodies concerning the purposes for
25 which a redevelopment district may be created; that redevelopment districts
26 are being created that are not consistent with the purposes of Arkansas law
27 governing the creation of redevelopment districts; that local governing
28 bodies need standards in order to ascertain if proposed redevelopment plans
29 meet the purposes for which they are being created; and that this act is
30 immediately necessary because it provides local governing bodies with
31 necessary standards in order to comply with the purposes of creating
32 redevelopment districts. Therefore, an emergency is declared to exist and
33 this act being immediately necessary for the preservation of the public
34 peace, health, and safety shall become effective on:

35 (1) The date of its approval by the Governor;

36 (2) If the bill is neither approved nor vetoed by the Governor,

1 the expiration of the period of time during which the Governor may veto the
2 bill; or

3 (3) If the bill is vetoed by the Governor and the veto is
4 overridden, the date the last house overrides the veto.

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/s/ Saunders