

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

A Bill

SENATE BILL 1081

5 By: Senator Wooldridge
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

13 AN ACT TO SPECIFY WHEN THE DECLINE OF
14 PROPERTY VALUES IN BLIGHTED AREAS
15 JUSTIFIES THE CREATION OF REDEVELOPMENT
16 DISTRICTS BY LOCAL GOVERNING BODIES.
17
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code § 14-168-305, concerning the creation of
23 redevelopment districts under Amendment 78 of the Arkansas Constitution, is
24 amended to read as follows:

25 14-168-305. Creation of district.

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

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

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



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

7 (c)(1) Following the publication of notice and the hearing on the
8 proposed redevelopment district, the local governing body shall determine
9 whether the proposed redevelopment district is consistent with the purposes
10 of this subchapter.

11 (2) The local governing body shall be governed by and shall take
12 into consideration the following factors in making the determination under
13 subdivision (c)(1) of this section:

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

16 (B) The type of industry that the proposed redevelopment
17 district would promote;

18 (C) Whether the project associated with the proposed
19 redevelopment district would occur in this state regardless of whether the
20 proposed redevelopment district is created;

21 and

22 (D) Whether the anticipated benefits of employment
23 generated by the proposed redevelopment district, both on a direct and
24 indirect multiplier basis, provide an adequate net benefit to the public when
25 compared to the local tax revenues and fees invested by those entities
26 whose tax revenues are affected by the proposed redevelopment district.

27 (d) The local governing body shall not approve any proposed
28 redevelopment district unless:

29 (1) The governing body is able to certify to the Division of
30 Legislative Audit that there is a reasonable expectation that the property
31 values of the properties adjacent to the proposed redevelopment district will
32 increase more than they would have without the creation of the proposed
33 redevelopment district;

34 (2)(A) The existing private improvements in the proposed
35 redevelopment district exceed twenty-five percent (25%) of the total value of
36 the county appraisal of property within the proposed redevelopment district.

1 (B) For the purposes of this section, all existing private
 2 improvements exclude road, utility, and drainage costs or other similar
 3 improvements associated with the proposed redevelopment project and paid for
 4 with
 5 public funds; and

6 (3) The local governing body determines that the boundaries of
 7 the proposed redevelopment district are in a blighted area, which means that
 8 at least one (1) of the following factors is present:

9 (A) The total equalized assessed value of the property
 10 within the proposed redevelopment district has declined for the last two (2)
 11 county appraisal cycles;

12 (B) The property within the proposed redevelopment
 13 district is in an advanced state of dilapidation or neglect or has structural
 14 deficiencies such that major repairs must be undertaken to make the building
 15 or buildings functional;

16 (C) The property within the proposed redevelopment
 17 district has structures that have been vacant for more than five (5) years;
 18 or

19 (D) The property within the proposed redevelopment
 20 district has structures that are functionally obsolete causing the structures
 21 to be ill-suited for their original use.

22 ~~(e)~~ (e) Upon satisfying the requirements of this section, The the
 23 local governing body shall adopt an ordinance creating the redevelopment
 24 district which:

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

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

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

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

36 (C) Each subsequently created district shall be assigned

1 the next consecutive number; and

2 (4) Contains findings that the real property within the
3 redevelopment district will be ~~benefitted~~ benefited by eliminating or
4 preventing the development or spread of slums or blighted, deteriorated, or
5 deteriorating areas, ~~or discouraging the loss of commerce, industry, or~~
6 ~~employment, or increasing employment, by rehabilitating real property that is~~
7 in an advanced state of disrepair or neglect, by conserving real property
8 that is obsolescent, or by any combination thereof.

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

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

14 ~~(e)(g)~~(1) The ordinance shall establish a special fund as a separate
15 fund into which all tax increment revenues and other revenues designated by
16 the local government for the benefit of the redevelopment district shall be
17 deposited, and from which all project costs shall be paid. However, all such
18 tax revenues shall be used to pay any outstanding principal and interest due
19 on the project.

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

22 (B) However, no bond issued pursuant to the authority in
23 this section and backed by tax increment financing shall have a maturity date
24 of more than ten (10) years from the date of the bond issue.

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

27 (2)(A) Within five (5) years of the creation of a redevelopment
28 district, the district shall become active either by creating bonds, notes,
29 or other obligations or by substantially finishing planned improvements.

30 (B) Redevelopment districts that fail to become active
31 shall be void from the date of creation.

32 ~~(2)(3)~~ Provided, however, that However, in the event if any
33 bonds, notes or other obligations are outstanding with respect to the
34 redevelopment district, any change in the boundaries shall not reduce the
35 amount of tax increment available to secure ~~such~~ the tax increment financing.

36 (i) The local governing body shall report annually to the Division of

1 Legislative Audit the property values and property tax levels of any proposed
2 redevelopment district created under this section and the surrounding
3 properties.

4
5 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
6 General Assembly of the State of Arkansas that redevelopment districts are
7 necessary for cities and counties to rehabilitate blighted areas; that the
8 current law does not contain specific enough criteria for the creation of
9 redevelopment districts by cities and counties; and that this act is
10 immediately necessary to correct deficiencies in the law. Therefore, an
11 emergency is declared to exist and this act being immediately necessary for
12 the preservation of the public peace, health, and safety shall become
13 effective on:

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

15 (2) If the bill is neither approved nor vetoed by the Governor,
16 the expiration of the period of time during which the Governor may veto the
17 bill; or

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

20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36