

CHAPTER NO. 987

HOUSE BILL NO. 2293

By Representatives Brooks, Armstrong, Pruitt, Miller, Ulysses Jones, Langster, Towns, Larry Turner, Bowers, Brown, Cooper

Substituted for: Senate Bill No. 2327

By Senators Dixon, Harper

AN ACT to enact the Community Redevelopment Act of 1998 and to amend various provisions of Tennessee Code Annotated.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The title of this act is, and may be cited as the "Community Redevelopment Act of 1998".

SECTION 2.

(a) It is hereby found and declared that there exist in counties and municipalities of the state slum and blighted areas which constitute a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of the state; that the existence of such areas contributes substantially and increasingly to the spread of disease and crime, constitutes an economic and social liability imposing onerous burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests sound growth, retards the provision of housing accommodations, aggravates traffic problems, and substantially hampers the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums and blight is a matter of state policy and state concern in order that the state and its counties and municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency, and consume an excessive proportion of its revenues because of the extra services required for police, fire, accident, hospitalization, and other forms of public protection, services, and facilities.

(b) It is further found and declared that certain slum or blighted areas, or portions thereof, may require acquisition, clearance, and disposition subject to use restrictions, as provided in this part, since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation; that other areas or portions thereof may, through the means provided in this act, be susceptible of conservation or rehabilitation in such a manner that the conditions and evils enumerated may be eliminated, remedied, or prevented; and that salvageable slum and blighted areas can be conserved and rehabilitated through appropriate public action as herein authorized and the cooperation and voluntary action of the owners and tenants of property in such areas.

(c) It is further found and declared that the powers conferred by this act are for public uses and purposes for which public money may be expended and the power of eminent domain and police power exercised, and the necessity in the public interest for the provisions herein enacted is hereby declared as a matter of legislative determination.

(d) It is further found and declared that the preservation or enhancement of the tax base from which a taxing authority realizes tax revenues is essential to its existence and financial health; that the preservation and enhancement of such tax base is implicit in the purposes for which a taxing authority is established; that tax increment financing is an effective method of achieving such preservation and enhancement in areas in which such tax base is declining; that community redevelopment in such areas, when complete, will enhance such tax base and provide increased tax revenues to all affected taxing authorities, increasing their ability to accomplish their other respective purposes; and that the preservation and enhancement of the tax base in such areas through tax increment financing and the levying of taxes by such taxing authorities therefor and the appropriation of funds to a redevelopment trust fund bears a substantial relation to the purposes of such taxing authorities and is for their respective purposes and concerns.

(e) It is further found and declared that there exists in counties and municipalities of the state a severe shortage of housing affordable to residents of low or moderate income, including the elderly; that the existence of such condition affects the health, safety, and welfare of the residents of such counties and municipalities and retards their growth and economic and social development; and that the elimination or improvement of such condition is a proper matter of state policy and state concern and is for a valid and desirable public purpose.

SECTION 3. The following terms, wherever used or referred to in this act, have the following meanings:

(1) "Agency" or "community redevelopment agency" means a public agency created by, or designated pursuant to Section 9 or Section 10.

(2) "Public body" or "taxing authority" means the state or any county or municipality, including metropolitan government.

(3) "Governing body" means the legislative body for the county or municipality, including any metropolitan government.

(4) "Mayor" means the chief administrative officer of a municipality or, for a county, the county executive.

(5) "Clerk" means the clerk or other official of the county or municipality who is the custodian of the official records of such county or municipality.

(6) "Federal Government" includes the United States or any agency or instrumentality, corporate or otherwise, of the United States.

(7) "Slum area" means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age, or obsolescence; inadequate provision for ventilation, light, air, sanitation, or open spaces; high density of population and overcrowding; the existence of conditions which endanger life or property by fire or other causes; or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare.

(8) "Blighted area" means either:

(A) An area in which there are a substantial number of slum, deteriorated, or deteriorating structures and conditions which endanger life or property by fire or other causes or one or more of the following factors which substantially impairs or arrests the sound growth of a county or municipality and is a menace to the public health, safety, morals, or welfare in its present condition and use:

(i) Predominance of defective or inadequate street layout;

(ii) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

(iii) Unsanitary or unsafe conditions;

(iv) Deterioration of site or other improvements;

(v) Tax or special assessment delinquency exceeding the fair value of the land; and

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

(B) An area in which there exists faulty or inadequate street layout; inadequate parking facilities; or roadways, bridges, or public transportation facilities incapable of handling the volume of traffic flow into or through the area, either at present or following proposed construction.

(9) "Community redevelopment" or "redevelopment" means undertakings, activities, or projects of a county, municipality, or community redevelopment agency in a community redevelopment area for the elimination and prevention of the development or spread of slums and blight or for the provision of affordable housing, whether for rent or for sale, to residents of low or moderate income, including the elderly, and may include slum clearance and redevelopment in a community redevelopment area or rehabilitation or conservation in a community redevelopment area, or any combination or part thereof, in accordance with a community redevelopment plan and may include the preparation of such a plan.

(10) "Community redevelopment area" means a slum area, a blighted area, or an area in which there is a shortage of housing that is affordable to residents of low or moderate

income, including the elderly, or a combination thereof which the governing body designates as appropriate for community redevelopment.

(11) "Community redevelopment plan" means a plan, as it exists from time to time, for a community redevelopment area.

(12) "Related activities" means:

(a) Planning work for the preparation of a general neighborhood redevelopment plan or for the preparation or completion of a community-wide plan or program pursuant to Section 15.

(b) The functions related to the acquisition and disposal of real property pursuant to Section 17.

(c) The development of affordable housing for residents of the area.

(13) "Real property" means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto or used in connection therewith and every estate, interest, right, and use, legal or equitable, therein, including but not limited to terms for years and liens by way of judgment, mortgage, or otherwise.

(14) "Bonds" means any bonds (including refunding bonds), notes, interim certificates, certificates of indebtedness, debentures, or other obligations.

(15) "Obligee" means and includes any bondholder, agents or trustees for any bondholders, or lessor demising to the county or municipality property used in connection with community redevelopment, or any assignee or assignees of such lessor's interest or any part thereof, and the Federal Government when it is a party to any contract with the county or municipality.

(16) "Person" means any individual, firm, partnership, corporation, company, association, joint stock association, or body politic and includes any trustee, receiver, assignee, or other person acting in a similar representative capacity.

(17) "Area of operation" means, for a county, the area within the boundaries of the county, and for a municipality, the area within the corporate limits of the municipality.

(18) "Housing authority" means a duly created public housing authority.

(19) "Board" or "commission" means a board, commission, department, division, office, body or other unit of the county or municipality.

(20) "Public officer" means any officer who is in charge of any department or branch of the government of the county or municipality relating to health, fire, building regulations, or other activities concerning dwellings in the county or municipality.

(21) "Increment revenue" means the amount calculated pursuant to Section 21.

SECTION 4.

(a) Any county or municipality, to the greatest extent it determines to be feasible in carrying out the provisions of this act, shall afford maximum opportunity, consistent with the sound needs of the county or municipality as a whole, to the rehabilitation or redevelopment of the community redevelopment area by private enterprise. Any county or municipality shall give consideration to this objective in exercising its powers under this act, including the formulation of a workable program; the approval of community redevelopment plans, community-wide plans or programs for community redevelopment, and general neighborhood redevelopment plans (consistent with the general plan of the county or municipality); the exercise of its zoning powers; the enforcement of other laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements; the development of affordable housing; the disposition of any property acquired; and the provision of necessary public improvements.

(b) In giving consideration to the objectives outlined in subsection (a), the county or municipality shall consider making available the incentives provided enterprise zones.

SECTION 5. Before the governing body adopts any resolution or enacts any ordinance required under Sections 8, 9, 10, or 21; creates a community redevelopment agency; approves, adopts, or amends a community redevelopment plan; or issues redevelopment revenue bonds under Section 20, the governing body must provide public notice of such proposed action at least fifteen (15) days before such proposed action, mail by registered mail a notice to each taxing authority which levies ad valorem taxes on taxable real property contained within the geographic boundaries of the redevelopment area.

SECTION 6. Any county or municipality for the purposes of this act may formulate for the county or municipality a workable program for utilizing appropriate private and public resources to eliminate and prevent the development or spread of slums and urban blight, to encourage needed community rehabilitation, to provide for the redevelopment of slum and blighted areas, to provide housing affordable to residents of low or moderate income, including the elderly, or to undertake such of the aforesaid activities or other feasible county or municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include provision for the prevention of the spread of blight into areas of the county or municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of slum and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements, encouraging voluntary rehabilitation, and compelling the repair and rehabilitation of deteriorated or deteriorating structures; the development of affordable housing; and the clearance and redevelopment of slum and blighted areas or portions thereof.

SECTION 7. Notwithstanding any other provision to the contrary, the purposes for which a taxing authority may levy taxes or appropriate funds to a redevelopment trust fund include the preservation and enhancement of the tax base of such taxing authority and the furthering of the purposes of such taxing authority as provided by law.

SECTION 8. No county or municipality shall exercise the authority conferred by this act until after the governing body has adopted a resolution finding that:

(1) One or more slum or blighted areas, or one or more areas in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, exist in such county or municipality; and,

(2) The rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas, including, if appropriate, the development of housing which residents of low or moderate income, including the elderly, can afford, is necessary in the interest of the public health, safety, morals, or welfare of the residents of such county or municipality.

SECTION 9.

(a) Upon a finding of necessity as set forth in Section 8, 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 act, any county or municipality may create a public body corporate and politic to be known as a "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 act shall be deemed and held to be the performance of an essential public function. The community redevelopment agency of a county has 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 proposed by the governing body of the county.

(b) 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 (5) or more than seven (7) commissioners. The terms of office of the commissioners shall be for four (4) years, except that three (3) of the members first appointed shall be designated to serve terms of one (1), two (2), and three (3) years, respectively, from the date of their appointments, and all other members shall be designated to serve for terms of four (4) years from the date of their appointments. A vacancy occurring during a term shall be filled for the unexpired term.

(c)

(1) 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.

(2) 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 act.

(3) 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. An agency authorized to transact business and exercise powers under this act shall file with the governing body and with the comptroller, 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.

(4) 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.

(d) The governing body may remove a commissioner for inefficiency, neglect of duty, or misconduct in office only after a hearing and only if he or she has been given a copy of the charges at least ten (10) days prior to such hearing and has had an opportunity to be heard in person or by counsel.

SECTION 10.

(a)

(1) As an alternative to the appointment of not fewer than five (5) or more than seven (7) members of the agency, the governing body may, at the time of the adoption of a resolution under Section 8, or at any time thereafter by adoption of a resolution, declare itself to be an agency, in which case all the rights, powers, duties, privileges, and immunities vested by this part in an agency will be vested in the governing body of the county or municipality, subject to all responsibilities and liabilities imposed or incurred.

(2) The members of the governing body shall be the members of the agency, but such members constitute the head of a legal entity, separate, distinct, and independent from the governing body of the county or municipality. If the governing body declares itself to be an agency which already exists, the new agency is subject to all of the responsibilities and liabilities imposed or incurred by the existing agency.

(b) Nothing in this act prevents the governing body from conferring the rights, powers, privileges, duties, and immunities of a community redevelopment agency upon any duly created entity in existence on July 1, 1998, which has been duly authorized by law to function as a downtown development board or authority or as any other body the purpose of which is to prevent and eliminate slums and blight through community redevelopment plans. Any duly created entity in existence on July 1, 1998, which has been duly vested with the rights, powers, privileges, duties, and immunities of a community redevelopment agency is subject to all provisions and responsibilities imposed by this act, notwithstanding any provisions to the contrary in any law or amendment thereto which established the entity. Nothing in this act shall be construed to impair or diminish any powers of any redevelopment agency or other entity as referred to herein in existence on the effective date of this act or to repeal, modify, or amend any law establishing such entity, except as specifically set forth herein.

SECTION 11. The community redevelopment powers assigned to a community redevelopment agency created under Section 9 include all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act, except the following, which continue to vest in the governing body of the county or municipality:

(1) The power to determine an area to be a slum or blighted area, or combination thereof; to designate such area as appropriate for community redevelopment; and to hold any public hearings required with respect thereto.

(2) The power to grant final approval to community redevelopment plans and modifications thereof.

(3) The power to authorize the issuance of revenue bonds as set forth in Section 20.

(4) The power to approve the acquisition, demolition, removal, or disposal of property as provided in Section 17 and the power to assume the responsibility to bear loss as provided in Section 17.

SECTION 12.

(a) Community redevelopment in a community redevelopment area shall not be planned or initiated unless the governing body has, by resolution, determined such area to be a slum area, a blighted area, or an area in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, or a combination thereof, and designated such area as appropriate for community redevelopment.

(b) The community redevelopment plan shall:

(1) Conform to any comprehensive plan for the county or municipality as prepared by the planning agency for the locality.

(2) Be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area; zoning and planning changes, if any; land uses; maximum densities; and building requirements.

(3) Provide for the development of affordable housing in the area, or state the reasons for not addressing in the plan the development of affordable housing in the area. The county, municipality, or community redevelopment agency shall coordinate with each housing authority or other affordable housing entities functioning within the geographic boundaries of the redevelopment area, concerning the development of affordable housing in the area.

(c) The county, municipality, or community redevelopment agency may itself prepare or cause to be prepared a community redevelopment plan, or any person or agency, public or private, may submit such a plan to a community redevelopment agency. Prior to its consideration of a community redevelopment plan, the community redevelopment agency shall submit such plan to the local planning agency of the county or municipality for review and recommendations as to its conformity with any comprehensive plan for the development of the county or municipality as a whole. The local planning agency shall submit its written recommendations with respect to the conformity of the proposed community redevelopment plan to the community redevelopment agency within sixty (60) days after receipt of the plan for review. Upon receipt of the recommendations of the local planning agency, or, if no recommendations are received within such sixty (60) days, then without such recommendations, the community redevelopment agency may proceed with its consideration of the proposed community redevelopment plan.

(d) The community redevelopment agency shall submit any community redevelopment plan it recommends for approval, together with its written recommendations, to the governing body and to each taxing authority that levies ad valorem taxes on taxable real property contained within the geographic boundaries of the redevelopment area. The governing body shall then proceed with the hearing on the proposed community redevelopment plan as prescribed by subsection (e).

(e) The governing body shall hold a public hearing on a community redevelopment plan after public notice thereof by publication in a newspaper having a general circulation in

the area of operation of the county or municipality. The notice shall describe the time, date, place, and purpose of the hearing, identify generally the community redevelopment area covered by the plan, and outline the general scope of the community redevelopment plan under consideration.

(f) Following such hearing, the governing body may approve the community redevelopment and the plan therefor if it finds that:

(1) A feasible method exists for the location of families who will be displaced from the community redevelopment area in decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to such families;

(2) The community redevelopment plan conforms to the general plan of the county or municipality as a whole;

(3) The community redevelopment plan gives due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the site covered by the plans; and

(4) The community redevelopment plan will afford maximum opportunity, consistent with the sound needs of the county or municipality as a whole, for the rehabilitation or redevelopment of the community redevelopment area by private enterprise.

(g) If the community redevelopment area consists of an area of open land to be acquired by the county or the municipality, such area may not be so acquired unless:

(1) In the event the area is to be developed in whole or in part for residential uses, the governing body determines:

(A) That a shortage of housing of sound standards and design which is decent, safe, affordable to residents of low or moderate income, including the elderly, and sanitary exists in the county or municipality;

(B) That the need for housing accommodations has increased in the area;

(C) That the conditions of blight in the area or the shortage of decent, safe, affordable, and sanitary housing cause or contribute to an increase in and spread of disease and crime or constitute a menace to the public health, safety, morals, or welfare; and

(D) That the acquisition of the area for residential uses is an integral part of and is essential to the program of the county or municipality.

(2) In the event the area is to be developed in whole or in part for nonresidential uses, the governing body determines that:

(A) Such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives; and

(B) Acquisition may require the exercise of governmental action, as provided in this act, because of:

(i) Defective, or unusual conditions of, title or diversity of ownership which prevents the free alienability of such land;

(ii) Tax delinquency;

(iii) Improper subdivisions;

(iv) Outmoded street patterns;

(v) Deterioration of site;

(vi) Economic disuse;

(vii) Unsuitable topography or faulty lot layouts;

(viii) Lack of correlation of the area with other areas of a county or municipality by streets and modern traffic requirements; or

(ix) Any combination of such factors or other conditions which retard development of the area.

(h) Upon the approval by the governing body of a community redevelopment plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective community redevelopment area, and the county or municipality may then cause the community redevelopment agency to carry out such plan or modification in accordance with its terms.

(i) Notwithstanding any other provisions of this act, when the governing body certifies that an area is in need of redevelopment or rehabilitation as a result of an emergency, with respect to which the Governor has certified the need for emergency assistance under federal law, that area may be certified as a "blighted area," and the governing body may approve a community redevelopment plan and community redevelopment with respect to such area without regard to the provisions of this section requiring a general plan for the county or municipality and a public hearing on the community redevelopment.

SECTION 13.

(a) If at any time after the approval of a community redevelopment plan by the governing body it becomes necessary or desirable to amend or modify such plan, the

governing body may amend such plan upon the recommendation of the agency. The agency recommendation to amend or modify a redevelopment plan may include a change in the boundaries of the redevelopment area to add land to or exclude land from the redevelopment area.

(b) The governing body shall hold a public hearing on a proposed modification of a community redevelopment plan after public notice thereof by publication in a newspaper having a general circulation in the area of operation of the agency.

(c) If a community redevelopment plan is modified by the county or municipality after the lease or sale of real property in the community redevelopment area, such modification may be conditioned upon such approval of the owner, lessee, or successor in interest as the county or municipality may deem advisable and, in any event, shall be subject to such rights at law or in equity as a lessee or purchaser, or his or her successor or successors in interest, may be entitled to assert.

SECTION 14. Every community redevelopment plan shall:

(1) Contain a legal description of the boundaries of the community redevelopment area and the reasons for establishing such boundaries shown in the plan.

(2) Show by diagram and in general terms:

(A) The approximate amount of open space to be provided and the street layout.

(B) Limitations on the type, size, height, number, and proposed use of buildings.

(C) The approximate number of dwelling units.

(D) Such property as is intended for use as public parks, recreation areas, streets, public utilities, and public improvements of any nature.

(3) If the redevelopment area contains low or moderate income housing, contain a neighborhood impact element which describes in detail the impact of the redevelopment upon the residents of the redevelopment area and the surrounding areas in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population, and other matters affecting the physical and social quality of the neighborhood.

(4) Identify specifically any publicly funded capital projects to be undertaken within the community redevelopment area.

(5) Contain adequate safeguards that the work of redevelopment will be carried out pursuant to the plan.

(6) Provide for the retention of controls and the establishment of any restrictions or covenants running with land sold or leased for private use for such periods of time and under such conditions as the governing body deems necessary to effectuate the purposes of this act.

(7) Provide assurances that there will be replacement housing for the relocation of persons temporarily or permanently displaced from housing facilities within the community redevelopment area.

(8) Provide an element of residential use in the redevelopment area if such use exists in the area prior to the adoption of the plan or if the plan is intended to remedy a shortage of housing affordable to residents of low or moderate income, including the elderly, or if the plan is not intended to remedy such shortage, the reasons therefor.

(9) Contain a detailed statement of the projected costs of the redevelopment, including the amount to be expended on publicly funded capital projects in the community redevelopment area and any indebtedness of the community redevelopment agency, the county, or the municipality proposed to be incurred for such redevelopment if such indebtedness is to be repaid with increment revenues.

(10) Provide a time certain for completing all redevelopment financed by increment revenues. Such time certain shall occur no later than thirty (30) years after the fiscal year in which the plan is approved, adopted, or amended pursuant to this act.

(11) Subsections (1), (3), (4), (8), (9) and (10) do not apply to any governing body of a county or municipality or to a community redevelopment agency if such governing body has previously approved and adopted a community redevelopment plan; nor do they apply to any governing body of a county or municipality or to a community redevelopment agency if such governing body or agency has adopted an ordinance or resolution authorizing the issuance of any bonds, notes, or other forms of indebtedness to which is pledged increment revenues pursuant only to a community redevelopment plan as previously approved and adopted.

SECTION 15.

(a) Any municipality or county or any public body authorized to perform planning work may prepare a general neighborhood redevelopment plan for a community redevelopment area or areas, together with any adjoining areas having specially related problems, which may be of such scope that redevelopment activities may have to be carried out in stages. Such plans may include, but not be limited to, a preliminary plan which:

(1) Outlines the community redevelopment activities proposed for the area involved;

(2) Provides a framework for the preparation of community redevelopment plans; and

(3) Indicates generally the land uses, population density, building coverage, prospective requirements for rehabilitation and improvement of property and portions of the area contemplated for clearance and redevelopment.

A general neighborhood redevelopment plan shall, in the determination of the governing body, conform to the general plan of the locality as a whole and the workable program of the county or municipality.

(b) Any county or municipality or any public body authorized to perform planning work may prepare or complete a community-wide plan or program for community redevelopment which shall conform to the general plan for the development of the county or municipality as a whole and may include, but not be limited to, identification of slum or blighted areas, measurement of blight, determination of resources needed and available to renew such areas, identification of potential project areas and types of action contemplated, including the development of affordable housing if needed and appropriate for the area, and scheduling of community redevelopment activities.

SECTION 16.

(a) The officers, commissioners, and employees of a community redevelopment agency created by, or designated pursuant to this act shall be subject to the provisions and requirements of Sections 3-6-108 and 3-6-114.

(b) If any such official, commissioner, or employee presently owns or controls, or owned or controlled within the preceding two (2) years, any interest, direct or indirect, in any property which he or she knows is included or planned to be included in a community redevelopment area, he or she shall immediately disclose this fact in the manner provided in title 3, chapter 6, part 1. Any disclosure required to be made by this section shall be made prior to taking any official action pursuant to this section.

(c) No commissioner or other officer of any community redevelopment agency, board, or commission exercising powers pursuant to this part shall hold any other public office under the county or municipality other than his or her commissionership or office with respect to such community redevelopment agency, board, or commission.

SECTION 17.

(a) Every county and municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act, including the following powers in addition to others herein granted:

(1) To make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this act;

(2) To disseminate slum clearance and community redevelopment information;

(3) To undertake and carry out community redevelopment and related activities within the community redevelopment area, which redevelopment may include:

(A) Acquisition of a slum area or a blighted area or portion thereof.

(B) Demolition and removal of buildings and improvements.

(C) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, public areas of major hotels that are constructed in support of convention centers, including meeting rooms, banquet facilities, parking garages, lobbies, and passageways, and other improvements necessary for carrying out in the community redevelopment area the community redevelopment objectives of this act in accordance with the community redevelopment plan.

(D) Disposition of any property acquired in the community redevelopment area at its fair value for uses in accordance with the community redevelopment plan.

(E) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the community redevelopment plan.

(F) Acquisition of real property in the community redevelopment area which, under the community redevelopment plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property.

(G) Acquisition of any other real property in the community redevelopment area when necessary to eliminate unhealthful, unsanitary, or unsafe conditions; lessen density; eliminate obsolete or other uses detrimental to the public welfare; or otherwise to remove or prevent the spread of blight or deterioration or to provide land for needed public facilities.

(H) Acquisition, without regard to any requirement that the area be a slum or blighted area, of air rights in an area consisting principally of land in highways, railway or subway tracks, bridge or tunnel entrances, or other similar facilities which have a blighting influence on the surrounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income.

(I) Construction of foundations and platforms necessary for the provision of air rights sites of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income.

(4) To provide, or to arrange or contract for, the furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or

other facilities for or in connection with a community redevelopment; to install, construct, and reconstruct streets, utilities, parks, playgrounds, and other public improvements; and to agree to any conditions that it deems reasonable and appropriate which are attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a community redevelopment and related activities, and to include in any contract let in connection with such redevelopment and related activities provisions to fulfill such of the conditions as it deems reasonable and appropriate.

(5) Within the community redevelopment area:

(A) To enter into any building or property in any community redevelopment area in order to make inspections, surveys, appraisals, soundings, or test borings and to obtain an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted.

(B) To acquire by purchase, lease, option, gift, grant, bequest, devise, eminent domain, or otherwise any real property (or personal property for its administrative purposes), together with any improvements thereon; except that a community redevelopment agency may not exercise any power of eminent domain unless the exercise has been specifically approved by the governing body of the county or municipality which established the agency.

(C) To hold, improve, clear, or prepare for redevelopment any such property.

(D) To mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real property.

(E) To insure or provide for the insurance of any real or personal property or operations of the county or municipality against any risks or hazards, including the power to pay premiums on any such insurance.

(F) To enter into any contracts necessary to effectuate the purposes of this act.

(G) To solicit requests for proposals for redevelopment of parcels of real property contemplated by a community redevelopment plan to be acquired for redevelopment purposes by a community redevelopment agency and, as a result of such requests for proposals, to advertise for the disposition of such real property to private persons pursuant to Section 19 prior to acquisition of such real property by the community redevelopment agency.

(6) To invest any community redevelopment funds held in reserves or sinking funds or any such funds not required for immediate disbursement in property or securities in which savings banks may legally invest funds subject to their control and to redeem such bonds as have been issued pursuant to Section 20 at the redemption price established

therein or to purchase such bonds at less than redemption price, all such bonds so redeemed or purchased to be canceled.

(7) To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the Federal Government or the state, county, or other public body or from any sources, public or private, for the purposes of this act and to give such security as may be required and to enter into and carry out contracts or agreements in connection therewith; and to include in any contract for financial assistance with the Federal Government for or with respect to community redevelopment and related activities such conditions imposed pursuant to federal laws as the county or municipality deems reasonable and appropriate which are not inconsistent with the purposes of this act.

(8) Within its area of operation, to make or have made all surveys and plans necessary to the carrying out of the purposes of this act; to contract with any person, public or private, in making and carrying out such plans; and to adopt or approve, modify, and amend such plans, which plans may include, but are not limited to:

(A) Plans for carrying out a program of voluntary or compulsory repair and rehabilitation of buildings and improvements.

(B) Plans for the enforcement of state and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements.

(C) Appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of community redevelopment and related activities.

(9) To develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight and developing and demonstrating new or improved means of providing housing for families and persons of low income.

(10) To apply for, accept, and utilize grants of funds from the Federal Government for such purposes.

(11) To prepare plans for and assist in the relocation of persons (including individuals, families, business concerns, nonprofit organizations, and others) displaced from a community redevelopment area and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the Federal Government.

(12) To close, vacate, plan, or replan streets, roads, sidewalks, ways, or other places and to plan or replan any part of the county or municipality.

(13) Within its area of operation, to organize, coordinate, and direct the administration of the provisions of this act, as they may apply to such county or municipality, in order that the objective of remedying slum and blighted areas and preventing the causes thereof within such county or municipality may be most effectively promoted and achieved and to establish such new office or offices of the county or municipality or to reorganize existing offices in order to carry out such purpose most effectively.

(14) To exercise all or any part or combination of powers herein granted or to elect to have such powers exercised by a community redevelopment agency.

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

(1) Construction or expansion of administrative buildings for public bodies or police and fire buildings, unless each taxing authority agrees to such method of financing for the construction or expansion.

(2) Installation, construction, reconstruction, repair, or alteration of any publicly owned capital improvements or projects which are not an integral part of or necessary for carrying out the community redevelopment plan if such projects or improvements are normally financed by the governing body with user fees or if such projects or improvements would be installed, constructed, reconstructed, repaired, or altered within three (3) years of the approval of the community redevelopment plan by the governing body pursuant to a previously approved public capital improvement or project schedule or plan of the governing body which approved the community redevelopment plan.

(3) General government operating expenses unrelated to the planning and carrying out of a community redevelopment plan.

(c) With the approval of the governing body, a community redevelopment agency may:

(1) Prior to approval of a community redevelopment plan or approval of any modifications of the plan, acquire real property in a community redevelopment area, demolish and remove any structures on the property, and pay all costs related to the acquisition, demolition, or removal, including any administrative or relocation expenses.

(2) Assume the responsibility to bear any loss that may arise as the result of the exercise of authority under this subsection, in the event that the real property is not made part of the community redevelopment area.

SECTION 18.

(a) Any county or municipality, or any community redevelopment agency pursuant to specific approval of the governing body of the county or municipality which established the agency, as provided by any county or municipal ordinance has the right to acquire by condemnation any interest in real property, including a fee simple title thereto, which it deems necessary for, or in connection with, community redevelopment and related

activities under this act. Any county or municipality, or any community redevelopment agency pursuant to specific approval by the governing body of the county or municipality which established the agency, as provided by any county or municipal ordinance may exercise the power of eminent domain, or it may exercise the power of eminent domain in the manner now or which may be hereafter provided by any other statutory provision for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired in like manner. However, no real property belonging to the United States, the state, or any political subdivision of the state may be acquired without its consent.

(b) In any proceeding to fix or assess compensation for damages for the taking of property, or any interest therein, through the exercise of the power of eminent domain or condemnation, evidence or testimony bearing upon the following matters shall be admissible and shall be considered in fixing such compensation or damages in addition to evidence or testimony otherwise admissible:

(1) Any use, condition, occupancy, or operation of such property, which is unlawful or violative of, or subject to elimination, abatement, prohibition, or correction under, any law, ordinance, or regulatory measure of the state, county, municipality, or other political subdivision, or any agency thereof, in which such property is located, as being unsafe, substandard, unsanitary, or otherwise contrary to the public health, safety, morals, or welfare.

(2) The effect on the value of such property of any such use, condition, occupancy, or operation or of the elimination, abatement, prohibition, or correction of any such use, condition, occupancy, or operation.

(c) The foregoing testimony and evidence shall be admissible notwithstanding that no action has been taken by any public body or public officer toward the abatement, prohibition, elimination, or correction of any such use, condition, occupancy, or operation. Testimony or evidence that any public body or public officer charged with the duty or authority so to do has rendered, made, or issued any judgment, decree, determination, or order for the abatement, prohibition, elimination, or correction of any such use, condition, occupancy, or operation shall be admissible and shall be prima facie evidence of the existence and character of such use, condition, or operation.

SECTION 19.

(a) Any county, municipality, or community redevelopment agency may sell, lease, dispose of, or otherwise transfer real property or any interest therein acquired by it for community redevelopment in a community redevelopment area to any private person, or may retain such property for public use, and may enter into contracts with respect thereto for residential, recreational, commercial, industrial, educational, or other uses, in accordance with the community redevelopment plan, subject to such covenants, conditions, and restrictions, including covenants running with the land, as it deems necessary or desirable to assist in preventing the development or spread of future slums

or blighted areas or to otherwise carry out the purposes of this act. However, such sale, lease, other transfer, or retention, and any agreement relating thereto, may be made only after the approval of the community redevelopment plan by the governing body. The purchasers or lessees and their successors and assigns shall be obligated to devote such real property only to the uses specified in the community redevelopment plan and may be obligated to comply with such other requirements as the county, municipality, or community redevelopment agency may determine to be in the public interest, including the obligation to begin any improvements on such real property required by the community redevelopment plan within a reasonable time.

(b) Such real property or interest shall be sold, leased, otherwise transferred, or retained at a value determined to be in the public interest for uses in accordance with the community redevelopment plan and in accordance with such reasonable disposal procedures as any county, municipality, or community redevelopment agency may prescribe. In determining the value of real property as being in the public interest for uses in accordance with the community redevelopment plan, the county, municipality, or community redevelopment agency shall take into account and give consideration to the long-term benefits to be achieved by the county, municipality, or community redevelopment agency resulting from incurring short-term losses or costs in the disposal of such real property; the uses provided in such plan; the restrictions upon, and the covenants, conditions, and obligations assumed by, the purchaser or lessee or by the county, municipality, or community redevelopment agency retaining the property; and the objectives of such plan for the prevention of the recurrence of slum or blighted areas. In the event the value of such real property being disposed of is for less than the fair value, such disposition shall require the approval of the governing body, which approval may only be given following a duly noticed public hearing. The county, municipality, or community redevelopment agency may provide in any instrument of conveyance to a private purchaser or lessee that such purchaser or lessee is without power to sell, lease, or otherwise transfer the real property without the prior written consent of the county, municipality, or community redevelopment agency until the purchaser or lessee has completed the construction of any or all improvements which he or she has obligated himself or herself to construct thereon. Real property acquired by the county, municipality, or community redevelopment agency which, in accordance with the provisions of the community redevelopment plan, is to be transferred shall be transferred as rapidly as feasible in the public interest, consistent with the carrying out of the provisions of the community redevelopment plan. Any contract for such transfer and the community redevelopment plan, or such part or parts of such contract or plan as the county, municipality, or community redevelopment agency may determine, may be recorded in the land records of the clerk of the circuit court in such manner as to afford actual or constructive notice thereof.

(c) Prior to disposition of any real property or interest therein in a community redevelopment area, any county, municipality, or community redevelopment agency shall give public notice of such disposition by publication in a newspaper having a general circulation in the community, at least thirty (30) days prior to the execution of any contract to sell, lease, or otherwise transfer real property and, prior to the delivery of any

instrument of conveyance with respect thereto under the provisions of this section, invite proposals from, and make all pertinent information available to, private developers or any persons interested in undertaking to redevelop or rehabilitate a community redevelopment area or any part thereof. Such notice shall identify the area or portion thereof and shall state that proposals must be made by those interested within thirty (30) days after the date of publication of the notice and that such further information as is available may be obtained at such office as is designated in the notice. The county, municipality, or community redevelopment agency shall consider all such redevelopment or rehabilitation proposals and the financial and legal ability of the persons making such proposals to carry them out; and the county, municipality, or community redevelopment agency may negotiate with any persons for proposals for the purchase, lease, or other transfer of any real property acquired by it in the community redevelopment area. The county, municipality, or community redevelopment agency may accept such proposal as it deems to be in the public interest and in furtherance of the purposes of this act. Except in the case of a governing body acting as the agency, as provided in Section 10, a notification of intention to accept such proposal must be filed with the governing body not less than thirty (30) days prior to any such acceptance. Thereafter, the county, municipality, or community redevelopment agency may execute such contract in accordance with the provisions of subsection (a) and deliver deeds, leases, and other instruments and take all steps necessary to effectuate such contract.

(d) Any county, municipality, or community redevelopment agency may temporarily operate and maintain real property acquired by it in a community redevelopment area for or in connection with a community redevelopment plan pending the disposition of the property as authorized in this act, without regard to the provisions of subsection (a), for such uses and purposes as may be deemed desirable, even though not in conformity with the community redevelopment plan.

SECTION 20.

(a)

(1) When authorized or approved by resolution or ordinance of the governing body, a county, municipality, or community redevelopment agency has power in its corporate capacity, in its discretion, to issue redevelopment revenue bonds from time to time to finance the undertaking of any community redevelopment under this act, including, without limiting the generality thereof, the payment of principal and interest upon any advances for surveys and plans or preliminary loans, and has power to issue refunding bonds for the payment or retirement of bonds or other obligations previously issued. Any redevelopment revenue bonds or other obligations issued to finance the undertaking of any community redevelopment under this part shall mature within twenty (20) years after the end of the fiscal year in which the initial community redevelopment plan was approved or adopted. However, in no event shall any redevelopment revenue bonds or other obligations issued to finance the undertaking of any community redevelopment under this act mature later than the expiration of the plan in effect at the time such bonds or obligations were issued. The security for such bonds may be based upon the

anticipated assessed valuation of the completed community redevelopment and such other revenues as are legally available. Any bond, note, or other form of indebtedness pledging increment revenues to the repayment thereof shall mature no later than the end of the 30th fiscal year after the fiscal year in which increment revenues are first deposited into the redevelopment trust fund or the fiscal year in which the plan is subsequently amended. However, any refunding bonds issued pursuant to this paragraph may not mature later than the final maturity date of any bonds or other obligations issued pursuant to this paragraph being paid or retired with the proceeds of such refunding bonds.

(2) In anticipation of the sale of revenue bonds pursuant to paragraph (1), the county, municipality, or community redevelopment agency may issue bond anticipation notes and may renew such notes from time to time, but the maximum maturity of any such note, including renewals thereof, may not exceed five (5) years from the date of issue of the original note. Such notes shall be paid from any revenues of the county, municipality, or community redevelopment agency available therefor and not otherwise pledged or from the proceeds of sale of the revenue bonds in anticipation of which they were issued.

(b) Bonds issued under this section do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and are not subject to the provisions of any other law or charter relating to the authorization, issuance, or sale of bonds. Bonds issued under the provisions of this act are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, are exempted from all taxes.

(c) Bonds issued under this section shall be authorized by resolution or ordinance of the governing body; may be issued in one or more series; and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form either with or without coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place or places, be subject to such terms of redemption (with or without premium), be secured in such manner, and have such other characteristics as may be provided by such resolution or ordinance or by a trust indenture or mortgage issued pursuant thereto. Bonds issued under this section may be sold in such manner, either at public or private sale, and for such price as the governing body may determine will effectuate the purpose of this act.

(d) In case any of the public officials of the county, municipality, or community redevelopment agency whose signatures appear on any bonds or coupons issued under this act cease to be such officials before the delivery of such bonds, such signatures are, nevertheless, valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery.

(e) In any suit, action, or proceeding involving the validity or enforceability of any bond issued under this act, or the security therefor, any such bond reciting in substance that it has been issued by the county, municipality, or community redevelopment agency in

connection with community redevelopment, as herein defined, shall be conclusively deemed to have been issued for such purpose, and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of this act.

(f) Subsections (a), (d), and (e), do not apply to any governing body of a county or municipality or to a community redevelopment agency if such governing body or agency has adopted an ordinance or resolution authorizing the issuance of any bonds, notes, or other forms of indebtedness to which is pledged increment revenues pursuant only to a community redevelopment plan as previously approved and adopted.

SECTION 21.

(a) There shall be established for each community redevelopment agency created under Section 9 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, provided for the funding of the redevelopment trust fund for the duration of a community redevelopment plan. 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 act. Such increment shall be determined annually and shall be that amount equal to ninety-five percent (95%) 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 may determine that the amount to be funded by each taxing authority annually shall be less than ninety-five percent (95%) of the difference between paragraphs (1) and (2), but in no event shall such amount be less than fifty percent (50%) of such difference.

(b)

(1) Except for the purpose of funding the trust fund pursuant to subsection (c), upon the adoption of an ordinance providing for funding of the redevelopment trust fund as provided in this section, each taxing authority shall, by January 1 of each year, appropriate to the trust fund for so long as any indebtedness pledging increment revenues to the payment thereof is outstanding (but not to exceed thirty (30) years) a sum that is no less than the increment as defined and determined in subsection (a) accruing to such taxing authority. If the community redevelopment plan is amended or modified pursuant to Section 13, each such taxing authority shall make the annual appropriation for a period not to exceed thirty (30) years after the date the governing body amends the plan.

(2) Any taxing authority that does not pay the increment to the trust fund by January 1 shall pay to the trust fund an amount equal to five percent (5%) of the amount of the increment and shall pay interest on the amount of the increment equal to one percent (1%) for each month the increment is outstanding.

(3) The following public bodies or taxing authorities created prior to July 1, 1998, are exempt from paragraph (1):

(A) A special district that levies ad valorem taxes on taxable real property in more than one county.

(B) A special district the sole available source of revenue of which is ad valorem taxes at the time an ordinance is adopted under this section.

(4)

(A) A local governing body that creates a community redevelopment agency under Section 9 may exempt from paragraph (1) a special district that levies ad valorem taxes within that community redevelopment area. The local governing body may grant the exemption either in its sole discretion or in response to the request of the special district. The local governing body must establish procedures by which a special district may submit a written request to be exempted from paragraph (a) within one hundred twenty (120) days after July 1, 1998.

(B) In deciding whether to deny or grant a special district's request for exemption from paragraph (1), the local governing body must consider:

(i) Any additional revenue sources of the community redevelopment agency which could be used in lieu of the special district's tax increment.

(ii) The fiscal and operational impact on the community redevelopment agency.

(iii) The fiscal and operational impact on the special district.

(iv) The benefit to the specific purpose for which the special district was created. The benefit to the special district must be based on specific projects contained in the approved community redevelopment plan for the designated community redevelopment area.

(v) The impact of the exemption on incurred debt and whether such exemption will impair any outstanding bonds that have pledged tax increment revenues to the repayment of the bonds.

(vi) The benefit of the activities of the special district to the approved community redevelopment plan.

(vii) The benefit of the activities of the special district to the area of operation of the local governing body that created the community redevelopment agency.

(C) The local governing body must hold a public hearing on a special district's request for exemption after public notice of the hearing is published in a newspaper having a general circulation in the county or municipality that created the community redevelopment area. The notice must describe the time, date, place, and purpose of the hearing and must identify generally the community redevelopment area covered by the plan and the impact of the plan on the special district that requested the exemption.

(D) If a local governing body grants an exemption to a special district under this paragraph, the local governing body and the special district must enter into an interlocal agreement that establishes the conditions of the exemption, including, but not limited to, the period of time for which the exemption is granted.

(E) If a local governing body denies a request for exemption by a special district, the local governing body shall provide the special district with a written analysis specifying the rationale for such denial. This written analysis must include, but is not limited to, the following information:

(i) A separate, detailed examination of each consideration listed in subparagraph (B).

(ii) Specific examples of how the approved community redevelopment plan will benefit, and has already benefited, the purpose for which the special district was created.

(F) The decision to either deny or grant an exemption must be made by the local governing body within one hundred twenty (120) days after the date the written request was submitted to the local governing body pursuant to the procedures established by such local governing body.

(c) Notwithstanding the provisions of subsection (b), the obligation of the governing body which established the community redevelopment agency to fund the redevelopment trust fund annually shall continue until all loans, advances, and indebtedness, if any, and interest thereon, of a community redevelopment agency incurred as a result of redevelopment in a community redevelopment area have been paid.

(d) The revenue bonds and notes of every issue under this act are payable solely out of revenues pledged to and received by a community redevelopment agency and deposited to its redevelopment trust fund. The lien created by such bonds or notes shall not attach until the revenues referred to herein are deposited in the redevelopment trust fund at the times, and to the extent that, such revenues accrue. The holders of such bonds or notes have no right to require the imposition of any tax or the establishment of any rate of taxation in order to obtain the amounts necessary to pay and retire such bonds or notes.

(e) Revenue bonds issued under the provisions of this act shall not be deemed to constitute a debt, liability, or obligation of the local governing body or the state or any political subdivision thereof, or a pledge of the faith and credit of the local governing body or the state or any political subdivision thereof, but shall be payable solely from the revenues provided therefor. All such revenue bonds shall contain on the face thereof a statement to the effect that the agency shall not be obligated to pay the same or the interest thereon except from the revenues of the community redevelopment agency held for that purpose and that neither the faith and credit nor the taxing power of the local governing body or of the state or of any political subdivision thereof is pledged to the payment of the principal of, or the interest on, such bonds.

(f) Moneys in the redevelopment trust fund may be expended from time to time for the following purposes, when directly related to financing or refinancing of redevelopment in a community redevelopment area pursuant to an approved community redevelopment plan:

(1) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency.

(2) 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) The acquisition of real property in the redevelopment area.

(4) The clearance and preparation of any redevelopment area for redevelopment and relocation of site occupants as provided in Section 17.

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

(6) All expenses incidental to or connected with the issuance, sale, redemption, retirement, or purchase of agency 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) The development of affordable housing within the area.

(g) 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 (f) for such year shall be:

(1) Returned to each taxing authority which paid the increment in the proportion that the amount of the payment of such taxing authority bears to the total amount paid into the trust fund by all taxing authorities within the redevelopment area for that year;

(2) Used to reduce the amount of any indebtedness to which increment revenues are pledged;

(3) Deposited into an escrow account for the purpose of later reducing any indebtedness to which increment revenues are pledged; or

(4) Appropriated to a specific redevelopment project pursuant to an approved community redevelopment plan which project will be completed within three (3) years from the date of such appropriation.

(h) Each community redevelopment agency shall provide for an independent financial audit of the trust fund each fiscal year and a report of such audit. Such report shall 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 is pledged increment revenues and the remaining amount of such indebtedness. The agency shall provide a copy of the report to each taxing authority.

SECTION 22. All banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking or investment business; all insurance companies, insurance associations, and other persons carrying on an insurance business; and all executors, administrators, curators, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by a county or municipality pursuant to this act or by any community redevelopment agency vested with community redevelopment powers. Such bonds and other obligations shall be authorized security for all public deposits. It is the purpose of this section to authorize all persons, political subdivisions, and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds or other obligations. Nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities.

SECTION 23.

(a) All property of any county, municipality, or community redevelopment agency, including funds, owned or held by it for the purposes of this act are exempt from levy and sale by virtue of an execution; and no execution or other judicial process may issue

against the same, nor shall judgment against the county, municipality, or community redevelopment agency be a charge or lien upon such property. However, the provisions of this section do not apply to or limit the right of obligees to pursue any remedies for the enforcement of any pledge or lien given pursuant to this part by the county or municipality on its rents, fees, grants, or revenues from community redevelopment.

(b) The property of the county, municipality, or community redevelopment agency acquired or held for the purposes of this act is declared to be public property used for essential public and governmental purposes, and such property is exempt from all taxes of the municipality, the county, or the state or any political subdivision thereof. However, such tax exemption will terminate when the county, municipality, or community redevelopment agency sells, leases, or otherwise disposes of such property in a community redevelopment area to a purchaser or lessee which is not a public body entitled to tax exemption with respect to such property.

SECTION 24.

(a) For the purpose of aiding in the planning, undertaking, or carrying out of community redevelopment and related activities authorized by this act, any public body may, upon such terms, with or without consideration, as it may determine:

(1) Dedicate, sell, convey, or lease any of its interest in any property or grant easements, licenses, or other rights or privileges therein to a county or municipality.

(2) Incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section.

(3) Do any and all things necessary to aid or cooperate in the planning or carrying out of a community redevelopment plan and related activities.

(4) Lend, grant, or contribute funds to a county or municipality; borrow money; and apply for and accept advances, loans, grants, contributions, or any other form of financial assistance from the Federal Government, the state, the county, another public body, or any other source.

(5) Enter into agreements, which may extend over any period, notwithstanding any provision or rule of law to the contrary, with the Federal Government, a county, a municipality, or another public body respecting action to be taken pursuant to any of the powers granted by this act, including the furnishing of funds or other assistance in connection with community redevelopment and related activities.

(6) Cause public buildings and public facilities, including parks, playgrounds, recreational, community, educational, water, sewer, or drainage facilities, or any other works which it is otherwise empowered to undertake to be furnished; furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan streets, roads, sidewalks, ways, or other places; plan or replan or zone or rezone any part of the public body or make

exceptions from building regulations; and cause administrative and other services to be furnished to the county or municipality.

If at any time title to or possession of any property in a community redevelopment area is held by any public body or governmental agency, other than the county or municipality, but including any agency or instrumentality of the United States, which is authorized by law to engage in the undertaking, carrying out, or administration of community redevelopment and related activities, the provisions of the agreements referred to in this section shall inure to the benefit of and may be enforced by such public body or governmental agency. As used in this subsection, the term "county or municipality" also includes a community redevelopment agency.

(b) Any sale, conveyance, lease, or agreement provided for in this section may be made by a public body without appraisal, public notice, advertisement, or public bidding.

(c) For the purpose of aiding in the planning, undertaking, or carrying out of any community redevelopment and related activities of a community redevelopment agency or a housing authority hereunder, any county or municipality may, in addition to its other powers and upon such terms, with or without consideration, as it determines, do and perform any or all of the actions or things which, by the provisions of subsection (a), a public body is authorized to do or perform, including the furnishing of financial and other assistance.

(d) For the purposes of this section, or for the purpose of aiding in the planning, undertaking, or carrying out of community redevelopment and related activities of a county or municipality, such county or municipality may, in addition to any authority to issue bonds pursuant to Section 20, issue and sell its general obligation bonds. Any bonds issued by the county or municipality pursuant to this section shall be issued in the manner and within the limitations prescribed by the applicable laws of this state for the issuance and authorization of general obligation bonds by such county or municipality. Nothing in this section shall limit or otherwise adversely affect any other section of this act.

SECTION 25. Any instrument executed by any county, municipality, or community redevelopment agency and purporting to convey any right, title, or interest in any property under this act shall be conclusively presumed to have been executed in compliance with the provisions of this act insofar as title or other interest of any bona fide purchasers, lessees, or transferees of such property is concerned.

SECTION 26. The powers conferred upon counties or municipalities by this act shall be supplemental to any community redevelopment powers now being exercised by any county or municipality in accordance with the provisions of any private act.

SECTION 27. State agencies may provide technical and advisory assistance, upon request, to municipalities, counties, and community redevelopment agencies for community redevelopment as defined in this act. Such assistance may include, but need not be limited to, preparation of workable programs, relocation planning, special

statistical and other studies and compilations, technical evaluations and information, training activities, professional services, surveys, reports, documents, and any other similar service functions. If sufficient funds and personnel are available, these services shall be provided without charge.

SECTION 28. Nothing contained herein shall be construed to prevent a county or municipality which is engaging in community redevelopment activities hereunder from participating in the neighborhood development program under the Housing and Urban Development Act of 1968 (Pub. L. No. 90-448) or in any amendments subsequent thereto.

SECTION 29. The provisions of this act shall only apply in counties having a population of more than eight hundred thousand (800,000) according to the 1990 Federal Census or any subsequent Federal Census.

SECTION 30. For administrative purposes the community redevelopment agency shall be considered a part of the county or municipality which created such entity and shall be subject to the accounting, budgetary, purchasing, travel and audit requirements applicable to that county or municipality.

SECTION 31. This act shall take effect July 1, 1998, the public welfare requiring it.

PASSED: April 29, 1998

APPROVED this 18th day of May 1998