ENGROSSED HOUSE
BILL NO. 3301

By: Blackburn and Toure of the House

and

Fisher of the Senate

(cities and towns - amending 11 O.S., Sections 40-101, 40-102, 40-103, 40-104, 40-107, 40-109, 40-113 and 40-115 - Central Business District Redevelopment Act - repealing 11 O.S., Sections 40-105, 40-106, 40-108, 40-110, 40-111, 40-112 and 40-114 - codification - effective date)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 11 O.S. 1991, Section 40-101, is amended to read as follows:

Section 40-101. This act shall be known and may be cited as the "~~Central Business District~~ Neighborhood Redevelopment Act".

SECTION 2. AMENDATORY 11 O.S. 1991, Section 40-102, is amended to read as follows:

Section 40-102. It is declared to be the purpose of the ~~Central Business District~~ Neighborhood Redevelopment Act to promote, stimulate, and develop the general and economic welfare of this state and its communities and to assist in the development and redevelopment of ~~central business district areas of cities~~ commercial, industrial and residential neighborhoods, thus promoting the general welfare of the citizens of this state, by authorizing cities ~~to acquire certain property and to issue special obligation~~

~~bonds for the financing of~~ and towns to establish redevelopment ~~projects~~ trust authorities, and to authorize such authorities to undertake redevelopment activities within such neighborhoods. The powers conferred by the ~~Central Business District~~ Neighborhood Redevelopment Act are for public uses and purposes for which public money may be expended and the power of eminent domain exercised. The necessity in the public interest for the provisions enacted as the ~~Central Business District~~ Neighborhood Redevelopment Act is hereby declared as a matter of legislative determination. The municipal governing body may do all things necessary and proper in its discretion pursuant to the authority granted to it by the Constitution and laws of this state to redevelop and maintain its ~~central business district~~ commercial, industrial and residential neighborhoods.

SECTION 3. AMENDATORY 11 O.S. 1991, Section 40-103, is amended to read as follows:

Section 40-103. A. No city or town shall exercise any of the powers conferred by this act unless the governing body of such city or town shall have adopted a resolution finding that all or a portion of the ~~area sought~~ commercial, industrial or residential neighborhood seeking to be redeveloped ~~is a~~ contains blighted ~~area~~ conditions and the conservation, development or redevelopment of such area is necessary to promote the general and economic welfare of such city~~. For the purpose of this subsection, the term "blighted area" means an area which, because of the presence of a majority of the following factors, substantially impairs or arrests the sound development and growth of the municipality or constitutes an economic or social liability or is a menace to the public health, safety, morals or welfare in its present condition and use: A substantial number of deteriorated or deteriorating structures; predominance of defective or inadequate street layout; unsanitary or unsafe conditions; deterioration of site improvements; diversity of~~

~~ownership; tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; improper subdivision or obsolete platting or land uses; the existence of conditions which endanger life or property by fire and other causes; or conditions which create economic obsolescence, or areas containing obsolete, nonfunctioning or inappropriately developed structures~~ or town.

B. The powers conferred upon cities and towns under the provisions of this act shall be exercised only in ~~central business district areas~~ commercial, industrial or residential neighborhoods of cities and towns, as determined by resolution adopted pursuant to Section ~~4~~ 40-104 of this ~~act~~ title.

~~C. No privately owned property subject to ad valorem taxes shall be acquired and redeveloped under the provisions of this act if the board of county commissioners levying taxes on such property determines by resolution adopted within thirty (30) days following the hearing provided for in Section 4 of this act, that the proposed project will have an adverse effect on such county. Within thirty (30) days prior to the public hearing, the local board of education shall be consulted to determine any adverse impact on school revenues. After such consultation the municipality shall mitigate any foreseeable adverse revenue impact by agreement to pay in lieu of ad valorem tax payments or any other measures agreed upon by the municipality and the school.~~

~~D. Any central business district redevelopment plan undertaken in accordance with the provisions of this act shall fix a date on which the development shall commence, within two (2) years from the date that any property is acquired by the city following adoption of the plan; and be completed not more than seven (7) years from the date the plan was adopted.~~

~~E. Any increment in ad valorem property taxes resulting from a redevelopment project undertaken in accordance with the provisions~~

~~of this act, apportioned to a special fund for the payment of special obligation bonds issued to finance the project pursuant to Section 7 of this act, may be pledged to such fund for a period not to exceed thirty (30) years. For the purposes of this act, "increment" means that amount of ad valorem taxes collected from real property located within the redevelopment project area which is attributable to its increase in assessed valuation resulting from a redevelopment project and which is in excess of that amount which is produced from such property and attributable to the assessed valuation of the property prior to any increase in assessed valuation resulting from a redevelopment project and as of the date the redevelopment plan was adopted, as provided in paragraph 2 of subsection C of Section 7 of this act.~~

~~F. Before any central business district redevelopment project shall be undertaken, there shall be provided to the city a comprehensive feasibility study, which study shall show that the benefits derived from the project will exceed the costs and that the income therefrom will be sufficient to pay for the project.~~

SECTION 4. AMENDATORY 11 O.S. 1991, Section 40-104, is amended to read as follows:

Section 40-104. A. Any city or town proposing to undertake ~~a central business district~~ the redevelopment ~~project~~ of a commercial, industrial or residential neighborhood in accordance with the provisions of this act shall first prepare a redevelopment plan in consultation with the planning commission of the city. The redevelopment plan shall include ~~a summary of the feasibility study required by Section 3 of this act, a~~:

1. A description and map of the ~~area to be redeveloped, the relocation assistance plan required by Section 9 of this act, a description of the buildings and facilities proposed to be constructed or improved in such area and such~~ boundaries of the redevelopment district being proposed;

2. A summary of the blighted conditions which justify the creation of such district;

3. A delegation of authority to a public trust created pursuant to Section 176 et seq. of Title 60 of the Oklahoma Statutes, specifying the name of the redevelopment trust which will undertake the redevelopment activities on behalf of such city or town. If no redevelopment trust is then in existence, the redevelopment plan shall include a copy of the trust indenture or other document creating the redevelopment trust;

4. A summary of the types of redevelopment activities and projects which may be undertaken by the redevelopment trust; and

5. Such other information as deemed by the governing body necessary to advise the public as to the intent of the plan. ~~A copy of the~~

B. Any redevelopment plan undertaken in accordance with the provisions of this act shall ~~be delivered to the county commissioners and the board of education of any school district levying taxes on property within the proposed redevelopment project area. Upon a finding by the planning commission that~~ fix a date on which the redevelopment plan ~~is consistent with the comprehensive general plan for the development of the city~~ shall terminate, which date shall be not more than twenty-five (25) years from the date the plan was adopted.

C. Thereafter, the governing body of the city shall adopt a resolution stating that the city is considering the adoption of ~~the~~ a redevelopment plan. The resolution shall:

1. Give notice that a public hearing will be held to consider the adoption of the redevelopment plan, and fix the date, hour and place of such public hearing;

2. Describe the boundaries of the ~~central business~~ district ~~of the city~~ being proposed;

~~3. Describe the boundaries of the area proposed to be included within the redevelopment project area;~~ and

~~4.~~ 3. State that the redevelopment plan~~, including a summary of the feasibility study, relocation assistance plan, financial guarantees of the prospective developer and a description and map of the area to be redeveloped are~~ is available for inspection during regular office hours in the office of the city clerk.

~~B.~~ D. The date fixed for the public hearing shall be not less than thirty (30) days nor more than seventy (70) days following the date of the adoption of the resolution fixing the date of such hearing.

~~C.~~ E. A copy of the redevelopment plan, along with a resolution providing for the public hearing, shall be delivered to the county commissioners of any county and the board of education of any school district levying taxes on property within the proposed redevelopment project area. Copies shall also be mailed by certified mail, return receipt requested, to each owner and occupant of land within the proposed redevelopment project area not more than ten (10) days following the date of the adoption of the resolution. The resolution shall be published in ~~the city~~ a newspaper of general circulation within the city or town as a legal, public notice once each week for three (3) consecutive weeks, the last publication to be not less than one (1) week and not more than two (2) weeks preceding the date fixed for public hearing. A sketch clearly delineating the area in detail as may be necessary to advise the reader of the particular land proposed to be included within the ~~project area~~ redevelopment district shall be published with the resolution.

~~D.~~ F. At the public hearing, a representative of the city shall present the city's proposed redevelopment plan. Following such explanation, all interested persons shall be given an opportunity to be heard. The governing body may for good cause shown recess the

hearing to a time and date certain which shall be fixed in the presence of persons in attendance at the hearing.

~~E.~~ G. Following the hearing, the governing body may adopt the redevelopment plan by ordinance passed upon a two-thirds (2/3) vote. ~~Any~~ Such ordinance may include an acceptance of beneficial interest in any redevelopment trust being created pursuant to the terms of a redevelopment plan.

H. Thereafter, any substantial changes to the redevelopment plan as adopted shall be subject to public hearing following publication of notice thereof at least twice in ~~the city~~ a newspaper of general circulation within the city or town.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 40-105.1 of Title 11, unless there is created a duplication in numbering, reads as follows:

A. Following adoption of the ordinance described in Section 40-104 of this title, the redevelopment trust named in such ordinance shall thereafter develop a comprehensive approach to remedy those blighted conditions which were found to exist within the redevelopment district. This comprehensive approach shall consist of one or more program plans designed to address the blighted conditions within such redevelopment district. Before the adoption of a program plan requiring the acquisition of land, the redevelopment trust shall provide to the city a feasibility study, which study shall show that the benefits derived from the program plan will exceed the costs and that the income therefrom will be sufficient to pay for the program plan.

B. Prior to the adoption of a program plan, a redevelopment trust shall adopt a resolution relating to the proposed program plan, which resolution shall:

1. State that a public hearing will be held to consider the adoption of a program plan, and fix the date, hour and place of such public hearing;

2. Describe the geographic boundaries of the area to which such program plan relates; and

3. State that the program plan, including a summary of any feasibility study, relocation assistance plan, financial guarantees of a prospective developer, if applicable, and a description and map of the area to be redeveloped are available for inspection during regular office hours in the office of the city clerk.

C. The date fixed for the public hearing shall be not less than ten (10) days nor more than thirty (30) days following the date of the adoption of the resolution fixing the date of such hearing. The resolution shall be published in a newspaper of general circulation within such city or town as a legal, public notice once each week for two (2) consecutive weeks, the last publication to be not more than two (2) weeks preceding the date fixed for public hearing. A summary of the program plan shall be mailed by certified mail to each owner and occupant of land within the proposed redevelopment district not more than ten (10) days following the date of the adoption of the resolution. A statement shall be included in the summary of the program plan that the program plan is available for inspection and copying during regular office hours in the office of the city clerk.

D. Following the hearing, the trustees of the redevelopment trust may, by resolution, adopt the program plan as originally proposed, or may adopt the program plan with such amendments as deemed appropriate by the trustees of the redevelopment trust. Thereafter, any substantial changes to a program plan, as adopted, shall be subject to public hearing following publication of notice thereof at least twice in a newspaper of general circulation within such city or town.

E. After the adoption of a program plan, or any substantial change to a program plan, the governing body of such municipality shall determine that the program plan, or any substantial change to

the program plan, is consistent with the comprehensive general plan for the development of the city. Thereafter, a redevelopment trust may undertake specific redevelopment projects; provided, that:

1. Such projects are undertaken pursuant to a project plan which clearly sets forth the actions being taken by the redevelopment trust with regard to a specific parcel or lot;

2. Such projects are undertaken within the period of time specified in the program plan; and

3. The terms and conditions relating to such projects are consistent with the terms and conditions of the program plan.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 40-106.1 of Title 11, unless there is created a duplication in numbering, reads as follows:

In order to carry out the purposes of this act, and any redevelopment plan adopted by a city or town pursuant hereto, a redevelopment trust may exercise all powers of a public trust pursuant to the provisions of Sections 176 et seq. and 175.1 et seq. of Title 60 of the Oklahoma Statutes.

SECTION 7. AMENDATORY 11 O.S. 1991, Section 40-107, is amended to read as follows:

Section 40-107. ~~A. For the purposes of this act, the term "taxing subdivision" shall include only the county, the city and the unified school district, the territory or jurisdiction of which includes the redevelopment project area. The term "real property taxes" includes all taxes levied on an ad valorem basis upon land and improvements thereon.~~

~~B. All tangible taxable property located within a redevelopment project area shall be assessed and taxed for ad valorem tax purposes pursuant to law in the same manner that the property would be assessed and taxed if located outside the area, and all ad valorem taxes levied on the property shall be paid to and collected by the county treasurer in the same manner as other taxes are paid and~~

~~collected. Except as otherwise provided in this section, the county treasurer shall distribute the taxes collected in the same manner as if the property were located outside a redevelopment area. Each redevelopment area established under the provisions of this act shall constitute a separate taxing unit for the purpose of the computation and levy of taxes.~~

~~C. Beginning with the first payment of taxes which are levied following the date of approval of any redevelopment plan by ordinance pursuant to Section 2 of this act, real property taxes received by the county treasurer resulting from taxes which are levied subject to the provisions of this act for the benefit of a taxing subdivision on property located within the redevelopment area constituting a separate taxing unit under the provisions of this section, shall be divided as follows:~~

~~1. From the taxes levied each year subject to the provisions of this act by or for each of the taxing subdivisions upon property located within a redevelopment area constituting a separate taxing unit under the provisions of this act, the county treasurer shall first allocate and pay to each taxing subdivision all of the real property taxes collected which are produced from that portion of the current assessed valuation of real property located within such separate taxing unit which is equal to the total assessed value of such real property on the effective date of such ordinance.~~

~~2. Any real property taxes produced from that portion of the current assessed valuation of real property within the redevelopment project area constituting a separate taxing unit under the provisions of this section in excess of an amount equal to the total assessed value of such real property on the effective date of such ordinance shall be allocated and paid by the county treasurer to the treasurer of the city and deposited in a special fund of the city to pay the principal of and interest on any special obligation bonds issued by such city to finance, in whole or in part, such~~

~~redevelopment project. When such special obligation bonds and interest thereon have been paid, all monies thereafter received from real property taxes within such redevelopment project area shall be allocated and paid to the respective taxing subdivisions in the same manner as are other ad valorem taxes.~~

~~D. In any redevelopment plan or in the proceedings for the issuing of any special obligation bonds by the city to finance a redevelopment project, the property tax increment portion of taxes provided for in paragraph 2 of subsection C of this section may be irrevocably pledged for the payment of the principal and interest on such special obligation bonds, subject to the~~ The provisions of ~~subsection E of~~ Section ~~3~~ 178.4 of ~~this act~~ Title 60 of the Oklahoma Statutes regarding retail outlets and residential enterprises and functions shall not apply to any redevelopment trust operating pursuant to a duly adopted redevelopment plan.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 40-108.1 of Title 11, unless there is created a duplication in numbering, reads as follows:

A redevelopment trust operating pursuant to a duly adopted redevelopment plan may issue tax apportionment bonds or notes in accordance with the provisions of the Local Development Act, Section 850 et seq. of Title 62 of the Oklahoma Statutes, as amended, and may receive and pledge revenues derived from the apportionment of ad valorem taxes as provided in Sections 861 and 862 of Title 62 of the Oklahoma Statutes.

SECTION 9. AMENDATORY 11 O.S. 1991, Section 40-109, is amended to read as follows:

Section 40-109. Before any redevelopment project shall be initiated under this act, a relocation assistance plan shall be approved by the ~~governing body~~ redevelopment trust proposing to undertake the project. Such relocation assistance plan shall:

1. Provide for relocation payments to be made to persons, families and businesses who move from real property or who move personal property from real property as a result of the acquisition of the real property by the city in carrying out the provisions of this act, ~~said~~ the plan to specify the time and manner of any such payments agreed to;

2. Provide that no persons or families residing in the project area shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents within their ability to pay. Such housing units shall be suitable to the needs of such displaced persons or families and must be a decent, safe, sanitary and otherwise standard dwelling;

3. Provide for the payment of any damages sustained by a retailer by reason of the liquidation of inventories necessitated by relocation; and

4. Provide for conformance with requirements promulgated under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

SECTION 10. AMENDATORY 11 O.S. 1991, Section 40-113, is amended to read as follows:

Section 40-113. The following terms, whenever used or referred to in ~~Sections 12 through 15 of~~ this act, shall, unless a different intent clearly appears from the context, be constructed to have the following meaning:

1. ~~"Area" shall mean that portion of the city which the governing body of such city has found or shall find to be blighted, so that the clearance, replanning, rehabilitation or reconstruction thereof is necessary to effectuate the purposes of this act. Any such area may include buildings or improvements not in themselves blighted, and any real property, whether improved or unimproved, the inclusion of which is deemed necessary for the effective clearance,~~

~~replanning, reconstruction or rehabilitation of the area of which such buildings, improvements or real property form a part;~~

~~2. "Blighted area" shall mean that portion of the city within which the governing body of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration, have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes;~~

~~3. "City" or "such cities" shall mean cities and towns;~~

~~4. "Development plan" shall mean a plan, together with any amendments thereto, for the development of all or any part of a blighted area, which is adopted by the governing body of any such city;~~

~~5.~~ "Blighted conditions" means conditions which, because of the presence of a majority of the following factors, substantially impair or arrest the sound development and growth of the municipality or constitute an economic or social liability or are a menace to the public health, safety, morals or welfare in its present condition and use:

a. a substantial number of deteriorated or deteriorating structures,

b. predominance of defective or inadequate street layout,

c. unsanitary or unsafe conditions,

d. deterioration of site improvements,

e. diversity of ownership,

f. tax or special assessment delinquency exceeding the fair value of the land,

g. defective or unusual conditions of title,

h. improper subdivision or obsolete platting or land uses,

i. the existence of conditions which endanger life or property by fire and other causes, or

j. conditions which create economic obsolescence, or areas containing obsolete, nonfunctioning or inappropriately developed structures;

2. "Governing body" ~~shall mean~~ means the city council, city commission or town board of trustees;

3. "Neighborhood" means a contiguous geographic area within a city or town that is characterized by a predominant building style or function, and may apply to residential, commercial or industrial areas;

4. "Program plan" means a plan for the redevelopment of all or a portion of a redevelopment district, which the governing body of a city or town has found to contain blighted conditions, so that the clearance, replatting, rehabilitation or reconstruction thereof is necessary to effectuate the purposes of this act;

5. "Project plan" means a specific work or improvement to effectuate all or a portion of a program plan;

6. "Redevelopment" shall mean the clearance, planning, construction ~~or~~, rehabilitation, or renovation of ~~any blighted area~~ all or a portion of a redevelopment district, and the provision for such industrial, commercial, retail, residential or public structures and spaces as may be appropriate, including recreational and other facilities incidental or appurtenant thereto; ~~and~~

7. "Redevelopment ~~project~~ district" ~~shall mean a specific work or improvement to effectuate all or any part of a development plan~~ means that portion of a city or town which the governing body of such city or town has found to contain blighted conditions;

8. "Redevelopment plan" means a plan for the redevelopment of all or a portion of a redevelopment district; and

9. "Redevelopment trust" means a public trust established in accordance with Section 176 et seq. of Title 60 of the Oklahoma Statutes which has the power to undertake redevelopment activities.

SECTION 11. AMENDATORY 11 O.S. 1991, Section 40-115, is amended to read as follows:

Section 40-115. A. A redevelopment trust shall have the right to acquire by the exercise of the power of eminent domain any real property in fee simple or other estate which is necessary to accomplish the purposes of ~~Sections 12 through 15 of~~ this act, ~~under such conditions and only~~ when so approved by the governing body.

B. A redevelopment trust may exercise the power of eminent domain in the manner provided in Sections 9 through 14 of Title 27 of the Oklahoma Statutes; or it may exercise the power of eminent domain in the manner provided by any other applicable statutory provision for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired in like manner, provided that no real property belonging to any city, county, public trust or the state or any political subdivision thereof may be acquired without its consent.

C. In the event of the sale or other disposition of real property of any redevelopment trust by reason of the foreclosure of any mortgage or other lien, through insolvency or bankruptcy proceedings, by order of any court of competent jurisdiction, by voluntary transfer or otherwise, the purchaser of such real property of such redevelopment trust shall continue to use, operate and maintain such real property in accordance with the provisions of any ~~development~~ project plan.

SECTION 12. REPEALER 11 O.S. 1991, Sections 40-105, 40-106, 40-108, 40-110, 40-111, 40-112 and 40-114, are hereby repealed.

SECTION 13. This act shall become effective November 1, 1998.

Passed the House of Representatives the 10th day of March, 1998.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1998.

President of the Senate