

1. H.B. 15-1348 Urban renewal authority - tax increment financing - appointments to authority - repayment or reimbursement of certain moneys to taxing bodies - calculation of the property tax increment - negotiation among municipality and taxing bodies of agreement governing tax revenues of taxing entities to be allocated under the urban renewal plan - mediation in absence of agreement. The act modifies statutory provisions governing an urban renewal authority (authority) in the following respects:
 - ! Except where the governing body of the municipality (governing body) designates itself as the authority, an authority is required to have 13 commissioners, not fewer than 10 of whom are appointed by the mayor.
 - ! In order to represent the collective interests of the county and all taxing bodies levying a mill levy in one or more urban renewal areas managed by the authority (urban renewal authority area), other than the municipality, one such commissioner on the authority must be appointed by the board of county commissioners of the county in which the territorial boundaries of the urban renewal authority area are located, one such commissioner must also be a board member of a special district selected by agreement of the special districts levying a mill levy within the boundaries of the urban renewal authority area, and one commissioner must also be an elected member of a board of education of a school district levying a mill levy within the boundaries of the urban renewal authority area. If the urban renewal authority area is located within the boundaries of more than one county, the appointment is made by agreement of all of the counties in which the boundaries of the urban renewal authority area are located. Procedures governing the filling of a vacancy in an appointment are specified. If the appointing county is a city and county, the requirements pertaining to county representation on the authority board need not be satisfied.
 - ! When the governing body of a municipality designates itself as the authority, an authority consists of the same number of commissioners as the number of members of the governing body. In addition, additional commissioner appointments representing counties, special districts, and school districts are authorized.
 - ! The provisions in a plan allowing for tax increment financing apply with respect to the property taxes of specifically designated public bodies.
 - ! In the case of the special fund established to collect the revenues from certain taxes allocated to the authority upon the payment of indebtedness, all moneys remaining in the special fund that have not previously been rebated and that originated as property tax increment generated based on the mill levy of a taxing body, other

than the municipality, within the boundaries of the urban renewal area must be repaid to each taxing body based on the pro rata share of the prior year's property tax increment attributable to each taxing body's current mill levy in which property taxes were divided. Any moneys remaining in the special fund not generated by property tax increment are excluded from any such repayment requirement. Any additional revenues the municipality, county, special district, or school district receives either because the voters have authorized the municipality, county, special district, or school district to retain and spend said moneys pursuant to the taxpayer's bill of rights provisions of the state constitution subsequent to the creation of the special fund or as a result of an increase in the property tax mill levy approved by the voters of the municipality, county, special district, or school district subsequent to the creation of the special fund, to the extent the total mill levy of the municipality, county, special district, or school district exceeds the respective mill levy in effect at the time of approval or substantial modification of the urban renewal plan, are not included in the amount of the increment that is allocated to and, when collected, paid into the special fund of the authority.

- ! Within the 12-month period prior to the effective date of the approval or modification of the urban renewal plan requiring the allocation of moneys to the authority, the municipality, county, special district, or school district is entitled to the reimbursement of any moneys that such municipality, county, special district, or school district pays to, contributes to, or invests in the authority for the project. The reimbursement is to be paid from the special fund of the authority.
- ! Before any urban renewal plan containing any tax allocation provisions that allocates any taxes of any public body other than the municipality may be approved by the municipal governing body, the governing body must notify the board of county commissioners of each county and the governing boards of each other public body whose property tax revenues would be allocated under such proposed plan. Representatives of the municipal governing body and each board of county commissioners and each public body are required to meet and attempt to negotiate an agreement governing the types and limits of tax revenues of each taxing entity to be allocated to the urban renewal plan. The act specifies the items to be addressed in the agreement. The agreement may be entered into separately among the municipality, the authority, and each such county or other public body, or through a joint agreement among the municipality, the authority, and any public body that has chosen to enter that agreement. Any such allocated shared tax revenues

governed by any agreement are limited to all or any portion of the taxes levied upon taxable property by the public body within the area covered by the urban renewal plan in addition to any sales tax revenues generated within the area covered by the urban renewal plan by the imposition of the sales tax of the municipality and any other public body.

- ! The agreement may provide for a waiver of any provision of the urban renewal law pertaining to certain notice, filing, consent, or enforcement requirements. The act permits the municipality to delegate to the authority the responsibility for negotiating the agreement as long as final approval of the plan or any modification of the plan is made by the governing body.
- ! If, after a period of 120 days from the date of notice or such longer or shorter period as the municipal governing body and any public body may agree, there is no agreement between the municipal governing body and any public body, the parties must submit to mediation on the issue of appropriate allocation of urban renewal project costs among the municipality and all other taxing entities whose taxes will be allocated pursuant to an urban renewal plan. The act specifies the elements the mediator must consider in making this determination. Within 90 days, the mediator is required to issue his or her findings of fact as to the appropriate allocation of costs and to promptly transmit such information to the parties. The municipality may agree to the mediator's findings by including in the urban renewal plan provisions that allocate municipal and incremental tax revenues of taxing bodies in accordance with the cost allocations determined by the mediator or by entering into an intergovernmental agreement with the taxing entity providing an alternative cost allocation methodology. Notwithstanding any other provision of law, no payments may be made into the special fund of the authority unless the municipality or the authority has satisfied these requirements of the act. A city and county is not required to reach an agreement with a county otherwise required by the act.

APPROVED by Governor May 29, 2015 EFFECTIVE May 29, 2015