The bill modifies statutory provisions governing an urban renewal authority (URA) in the following respects:

Section 1 of the bill modifies the number of commissioners of a URA. Specifically, the bill deletes the requirement that a URA have an odd number of commissioners and allows a URA to have up to 13 commissioners.

In all cases where an urban renewal plan (plan) managed by the URA includes an allocation of property tax increment generated by the mill levy imposed by one or more counties, except where the municipality is a city and county, section 1 of the bill requires one commissioner to be appointed by agreement of the boards of county commissioners of each county whose property taxes are subject to allocation under any such plan. Where any plan managed by the authority includes an allocation of property tax increment generated by the mill levy imposed by any special district or school district, one such commissioner must also be a board member of a special district whose property taxes are subject to allocation under any such plan, selected by agreement of such special districts whose property taxes are subject to allocation under any such plan, and one such commissioner must also be an elected member of a board of education of a school district, selected by agreement of the school districts whose property taxes are subject to allocation under any such plan. This section of the bill also specifies the time by which such representational appointments must be made and the terms of such appointments.

Section 4 of the bill imposes similar representational requirements when the governing body of a municipality designates itself as the URA.

Under current law, if the property taxes collected as a result of the county levy will be used in the plan, the governing body of the municipality or the URA is required to submit a report discussing the impact to the county (report). Section 2 of the bill clarifies that the report is required to be sent to the board of county commissioners and also to the governing body of each taxing entity for which the revenues from its general fund mill levy is proposed to be allocated under the plan. The report is required to be developed in consultation with such board as well any such governing bodies. This section of the bill also extends the time by which the report must be initially submitted and requires the report to address impacts on districts in addition to those of the county.

Section 2 of the bill clarifies that the provisions in a plan allowing for tax increment financing apply with respect to the property taxes of specifically
designated public bodies.

Section 2 of the bill also requires that, in the case of the special fund established to collect the revenues from certain taxes allocated to the URA upon the payment of indebtedness, all funds 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 within the boundaries of the urban renewal area must be repaid to each taxing body based on requirements specified in the bill.

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, section 2 of the bill also requires the governing body to 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 then 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. Any 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.

In the absence of an agreement between the municipality and any taxing entity, section 2 of the bill prohibits the percentage of property tax increment revenues of any public body that may be allocated to the URA from exceeding the percentage of municipal sales tax increment revenues allocated to the URA under the provisions of the urban renewal plan. The bill specifies the manner in which the percentage of municipal sales tax increment revenue allocated to the URA is to be determined as well as the determination of the amount of any moneys that the municipality pays to, contributes to, or invests in the URA for the project.