

1 SB175
2 205035-2
3 By Senators Smitherman and Coleman-Madison
4 RFD: Governmental Affairs
5 First Read: 03-FEB-21

SYNOPSIS: This bill would relate to Class 1 municipalities, and would further provide the requirements for establishing, amending, expanding, and terminating self-help business districts established by the municipality.

A BILL
TO BE ENTITLED
AN ACT

Relating to Class 1 municipalities; to amend Sections 11-54B-5, 11-54B-7, 11-54B-10, and 11-54B-19 of the Code of Alabama 1975, to further provide requirements for establishing a self-help business improvement district in the municipality; the requirements for amending any ordinance establishing a self-help business improvement district; and the requirements for the expansion and termination of a self-help business improvement district.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Sections 11-54B-5, 11-54B-7, 11-54B10,
2 and 11-54B-19, Code of Alabama 1975, are amended to read as
3 follows:

4 "§11-54B-5.

5 "A request for the creation of a self-help business
6 improvement district must contain the following:

7 "(a) The signatures of a representative group of the
8 owners of the real property located within the geographical
9 area of the proposed district. The group must include the
10 signatures of the owners of real property which comprises at
11 least ~~two-thirds~~ one-half of the total fair market value of
12 all real property located in the proposed district. Ownership
13 of real property and the fair market value thereof shall be
14 determined by the county property tax assessment records. When
15 record title to real property is vested in a public
16 corporation or authority under a bond financing plan provided
17 for by statute, the beneficial user of the real property in
18 which title may ultimately be vested by purchase shall be
19 deemed the owner of such real property for purposes of this
20 article.

21 "(b) An accurate description, whether by metes and
22 bounds or by lot and block numbers or by street addresses, of
23 the proposed district.

24 "(c) A self-help business improvement district plan
25 that shall include:

26 "(1) a description of the supplemental services
27 which will be provided in the district;

1 "(2) a budget outlining the annual cost of the
2 supplemental services described in paragraph (1) above;

3 "(3) a description of the method which will be used
4 to determine the amount of the special assessment which will
5 be levied on the owners of the real property located within
6 the geographical area of the district to finance the
7 supplemental services described in paragraph (1) above;

8 "(4) the number of years, not to exceed five ~~(5)~~
9 years, in which the special assessments described in paragraph
10 (3) above will be levied; and

11 "(5) copies of the articles of incorporation and
12 by-laws of the district management corporation designated by
13 the plan to provide administrative and other services to the
14 district.

15 "§11-54B-7.

16 "The municipality, upon review of the self-help
17 business improvement district plan submitted, ~~may~~, after
18 public hearing, may adopt an ordinance to designate,
19 establish, and maintain the area described in the plan as a
20 self-help business improvement district. The ordinance shall
21 provide for an effective date which is ~~sixty (60)~~ days from
22 the date of adoption of the ordinance by the municipality and
23 shall provide that, if the owners of real property which
24 represent ~~one-third (1/3)~~ one-half or more (by number) of
25 all parcels of real property located within the geographical
26 area of the district file written objections to the
27 establishment of the district with the clerk of the

1 municipality, the provisions of such ordinance shall be null
2 and void and no district shall be created. The ordinance shall
3 designate the district management corporation provided for in
4 the plan as the district management corporation authorized to
5 provide administrative and other services to the district and
6 authorize the execution of a contract between the municipality
7 and such district management corporation setting out the
8 services to be provided by the district and the municipality.
9 The contract shall provide that the municipality shall
10 continue the same level of services in the district as
11 provided prior to the creation thereof.

12 "§11-54B-10.

13 "(a) Except as provided in subsection (b), the
14 governing body of the municipality may amend a self-help
15 business improvement district ordinance upon the written
16 request of the district management corporation or a
17 representative group of the owners of the real property
18 located within the geographical area of the district. Such
19 request must specify the desired amendment, which should be
20 made by the governing body of the municipality to the
21 self-help business improvement district ordinance. If such
22 request is made by a representative group of owners of the
23 real property located within the geographical area of the
24 district, such request must also include the signatures of the
25 owners of real property which comprises at least ~~two-thirds~~
26 one-half of the total fair market value of all real property

1 located in the district, determined pursuant to the provisions
2 of subsection (a) of Section 11-54B-5.

3 "(b) The governing body of the municipality may
4 amend the self-help business improvement district ordinance to
5 reduce or expand the real property comprising the self-help
6 business improvement district in accordance with this
7 subsection.

8 "(1) The ordinance may be amended to reduce the real
9 property comprising the district following the submission of a
10 request for reduction by the board of directors of the
11 district management corporation.

12 "(2) The ordinance may be amended to expand the real
13 property comprising the district following the submission of a
14 request for expansion by both of the following:

15 "a. The owners of real property located within the
16 area that is to be newly included within the district as
17 provided in subdivision (3).

18 "b. The board of directors of the district
19 management corporation.

20 "(3) Where a request for expansion is sought under
21 subdivision (2), the request shall contain the signatures of
22 the owners of real property which comprises at least
23 ~~two-thirds~~ one-half of the total fair market value of all real
24 property located in the geographical area provided in
25 paragraph a. of subdivision (2). Ownership of real property
26 and the fair market value thereof shall be determined using
27 the records of the tax assessor or of the ~~probate~~ judge of

1 probate. When record title to real property is vested in a
2 public corporation or authority under a bond financing plan
3 provided for by statute, the beneficial user of the real
4 property in which title may ultimately be vested by purchase
5 shall be deemed the owner of the real property.

6 "(4) A request for expansion or reduction shall
7 include an accurate description, whether by metes and bounds,
8 by lot and block numbers, or by street addresses, of the
9 geographical area which is the subject of the reduction or
10 expansion, as well as a similar description of the resulting
11 district if such reduction or expansion was approved.

12 "(5) At least 20 days prior to the date set for a
13 public hearing on the proposed self-help business improvement
14 district reduction or expansion, notice of the date, time, and
15 place of the hearing, together with a description of the
16 geographical area which is the subject of the reduction or
17 expansion, shall be mailed to all owners of real property
18 located within the geographical area which is the subject of
19 the reduction or expansion, as ownership shown on the records
20 of the tax assessor. In addition, a copy of the notice shall
21 be posted in at least three places located within the
22 geographical area which is the subject of the reduction or
23 expansion. A property owner's failure to receive a copy of the
24 notice shall not constitute grounds upon which the owner may
25 contest the validity of a self-help business improvement
26 district amendment.

1 "(6) The municipality, upon review of the request
2 for the reduction or expansion of the self-help business
3 improvement district and after public hearing, may adopt an
4 ordinance reducing or expanding the self-help business
5 improvement district. The ordinance shall provide for an
6 effective date which is 60 days from the date of adoption of
7 the ordinance by the municipality and shall provide that, if
8 the owners of real property which represent one-third or more
9 by number of all parcels of real property located within the
10 geographical area of the resulting district file written
11 objections to the establishment of the district with the clerk
12 of the municipality, the provisions of such ordinance shall be
13 ~~null and~~ void and no reduction or expansion shall occur. The
14 ordinance shall provide that the contract between the
15 municipality and the district management corporation setting
16 out the services to be provided by the district and the
17 municipality shall be amended to provide that the same level
18 of services provided by the municipality shall continue as
19 before the reduction or expansion of the real property
20 comprising the self-help business improvement district.

21 "(7) There shall be no requirement that the real
22 property located within the geographical area of the self-help
23 business improvement district be contiguous.

24 "§11-54B-19.

25 "(a) Within ~~sixty~~ (60) days after the adoption and
26 approval of the fifth annual budget for any self-help business
27 improvement district, the board of directors of the district

1 management corporation shall set a hearing to determine
2 whether the district should be continued, modified, or
3 terminated. At least ~~twenty~~ (20) days before the hearing,
4 notice of the date, place, and time of such hearing shall be
5 posted in at least three ~~(3)~~ places within the district and
6 mailed to each real property owner who paid assessments to the
7 district during the previous year as certified by an officer
8 of the district management corporation collecting such
9 assessments.

10 "(b) Whenever a petition is presented to the board
11 of directors of the district management corporation signed by
12 real property owners in the district which paid ~~twenty-five~~
13 ~~percent (25%)~~ 50 percent or more of the assessments paid in
14 the district during the last fiscal year for which assessments
15 were collected, the board of directors of the district
16 management corporation shall set a public hearing as provided
17 for in subsection (a) ~~above~~.

18 "(c) After a hearing, the board of directors of the
19 district management corporation shall adopt a resolution
20 approving the continuation of the district, modifying the
21 district or the services rendered thereby, or the assessments
22 levied, or terminating the district as of the end of the
23 fiscal year during which the hearing is held.

24 "(d) If it should be demonstrated at any hearing
25 held under this section that the owners of real property which
26 either (1) pay ~~one-third (1/3)~~ one-half or more of the
27 assessments levied in the district during the last fiscal year

1 for which assessments were collected, or (2) represent
2 ~~one-third (1/3)~~ one-half or more (by number) of all parcels of
3 real property located within the geographical area of the
4 district object to the continuation of the district, the
5 district shall be terminated as of the end of the fiscal year
6 next following the hearing."

7 Section 2. This act shall not affect the creation of
8 a self-help business improvement district prior to the
9 effective date of this act, but any district in existence
10 prior to the effective date of this act shall be subject to
11 the remaining provisions of this act.

12 Section 3. This act shall become effective
13 immediately following its passage and approval by the
14 Governor, or its otherwise becoming law.