

1 SB371
2 117617-1
3 By Senators Pittman, Dixon, Beason, Mitchell, Orr, Benefield
4 and Marsh
5 RFD: Finance and Taxation Education
6 First Read: 04-FEB-10

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8 SYNOPSIS: This bill would provide for the
9 Neighborhood Revitalization Act of 2010, to
10 authorize the creation of Neighborhood
11 Revitalization Authorities to manage and coordinate
12 financing through member assessments for
13 neighborhood revitalization projects. The bill
14 would allow homeowners and businesses to
15 voluntarily create revitalization authorities for
16 revitalization projects in their respective
17 neighborhoods. The bill would provide for an annual
18 income tax credit over a period of 10 years for
19 contributions made by members of an authority for
20 the process of completing a neighborhood
21 revitalizing project.

22
23 A BILL
24 TO BE ENTITLED
25 AN ACT
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1 To provide for the Neighborhood Revitalization Act
2 of 2010; to allow homeowners and businesses to form
3 neighborhood revitalization authorities to manage and finance
4 local projects; to provide for the creation of such
5 authorities and to provide tax credits for assessments made by
6 individuals and business that participate in revitalization
7 authority projects.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. The Legislature makes the following
10 statements and findings:

11 (1) Cities have hundreds of miles of roads and
12 streets located in subdivisions that are in need of upgrades.
13 These upgrades are behind schedule and at the current rate
14 will take considerably more years to complete, if ever. These
15 upgrades include, but are not limited to, sanitary sewer,
16 drainage, curb and gutter, sidewalk, underground power, and
17 asphalt overlaying.

18 (2) Homeowners and businesses would benefit from the
19 voluntary formation of neighborhood revitalization authorities
20 to oversee and finance revitalization projects through an
21 assessment basis.

22 (3) An effective neighborhood revitalization program
23 would have the following benefits:

- 24 a. Jobs would be created.
- 25 b. Home values would be stabilized and/or increased.
- 26 c. Upgrade work would be expedited.
- 27 d. Savings would be created for the city.

1 e. Revenues would be created for city, state, and
2 federal governments.

3 Section 2. (a) This act shall be known as and may be
4 cited as "The Neighborhood Revitalization Act of 2010."

5 (b) For purposes of this act, the following terms
6 shall have the following meanings:

7 (1) ASSESSMENTS. Voluntary assessments made by
8 property owners in an authority created pursuant to this act.

9 (2) AUTHORITY. A Local Neighborhood Revitalization
10 Authority formed by homeowners or businesses pursuant to this
11 act, exercising the powers granted in this act.

12 (3) BOARD. The board of directors of an authority.

13 (4) MUNICIPALITY. The municipality within which
14 homeowners or business owners form an authority, and which
15 must give approval for the formation of an authority and
16 appoint a board of trustees to administer the authority.

17 (5) REVITALIZATION PROJECT or PROJECT. A
18 revitalization project that would allow homeowners and
19 businesses located in an authority to make certain
20 improvements and upgrades to streets and utilities in their
21 local neighborhoods. Revitalization projects shall include,
22 but not be limited to, the following:

23 a. Resurfacing existing streets.

24 b. Sidewalks.

25 c. Sewer installation.

26 d. Fire protection (i.e., hydrants and mains).

27 e. Domestic water service.

- 1 f. Underground utilities.
- 2 g. Concrete curb and gutter.
- 3 h. Drainage improvements.
- 4 i. Paving dirt roads.
- 5 j. Engineering and consulting and associate costs
- 6 for financing fees.

7 Section 3. (a) A municipality of this state may
8 authorize the creation of a Local Neighborhood Revitalization
9 Authority to manage, coordinate, and collect assessments for
10 homeowners and businesses to participate in revitalization
11 projects in their respective neighborhoods. If at least 75
12 percent of the property tax assessable homeowners and/or
13 business owners sign a petition to allow the formation of an
14 authority, the petition shall be reviewed by the municipality.

15 (b) One or more owners of land wishing to form an
16 authority in a municipality may petition the municipality to
17 form an authority as follows:

18 (1) The owners shall prepare a written petition
19 executed by 75 percent of the owners of property of all land
20 proposed to be included within the authority.

21 (2) The petition shall include a description of the
22 tract or tracts of land proposed to be included within the
23 authority, which may include less than all of any individual
24 tract of land. The description shall be sufficient if it
25 refers to tax assessment tracts in accordance with the tax
26 assessor's numbering or other reference system, by metes and

1 bounds, by subdivision lot, by reference to recorded deeds, or
2 by other reasonable reference methods.

3 (3) The petition shall include a map or plat of the
4 proposed area in the authority, showing that, if the authority
5 is created, the land will be contiguous with land presently
6 within the city or town limits of the municipality.

7 (4) The petition shall designate no more than three
8 individual property owners to initially act as agents in
9 representing the owners before the municipality.

10 (c) Any land proposed to be included within an
11 authority formed may not be within the municipal limits of any
12 municipality other than the municipality to which the petition
13 is being made.

14 (d) A petition shall contain a proposed form of
15 articles of incorporation for the proposed authority, which
16 shall include the following information:

17 (1) The name of the authority and a statement that
18 the authority is organized pursuant to this act.

19 (2) The names and mailing addresses of the
20 incorporators.

21 (3) The name of the municipality that is petitioned
22 for the formation of an authority.

23 (4) The names and addresses of three members of the
24 authority proposed to be the board of directors of the
25 authority and their terms of office. The members of the board
26 of directors shall be appointed by the municipality, if the
27 petition is approved by the municipality. The members of the

1 board may include any of the property owners who act initially
2 as agents representing the proposed authority or any other
3 property owner of the authority.

4 (e) A petition shall contain a proposed name for the
5 authority substantially in the form of "_____
6 Revitalization Authority District," which name shall be
7 sufficient to distinguish the authority's district from other
8 neighborhoods or areas of the municipality.

9 (f) Upon receipt of a petition, the municipality
10 shall confirm that the persons executing the petition are the
11 owners of the area proposed to be included within the
12 authority's district.

13 (g) If the municipality considers the formation of
14 an authority expedient, it may, by resolution, approve the
15 formation of the authority, and appoint the three persons
16 named in the petition as the board of directors of the
17 district.

18 (h) If an authority is formed in their municipal
19 areas, individuals and businesses may be assessed by the
20 authority for an improvement project or projects.

21 Section 4. Any authority shall have the following
22 powers, in addition to those stated elsewhere in this act:

23 (1) To enter into contracts and agreements affecting
24 the revitalization projects of the district.

25 (2) To acquire, construct, install, and operate
26 projects and all property, rights, or interests incidental or
27 pertinent thereto, provided, however, that nothing in this act

1 shall authorize an authority to construct, own, or operate a
2 system for the generation, transmission, or distribution of
3 electric power, cable television, or Internet system, or
4 telecommunications utility or to be in the business of
5 providing electric energy, cable television, Internet, or
6 telecommunications services.

7 (3) To have the management, control, and supervision
8 of all the business and affairs of the district, and of the
9 acquisition, construction, installation, and operation of
10 projects therein.

11 (4) To enter into contracts with one or more owners
12 of property within the authority relating to the acquisition,
13 construction, or installation of improvements. Without
14 limitation, contracts may require owners to connect their
15 properties with gas, water, or sewer mains or other utilities
16 in the streets in front of, at the rear of, or otherwise
17 adjacent or near to their properties prior to the paving or
18 final paving of roads on which their properties front.

19 (5) To contract with any licensed contractor for the
20 purpose of providing any materials or any work with respect to
21 the acquisition, installation, or construction of
22 revitalization projects.

23 (6) To purchase liability and other forms of
24 insurance.

25 (7) To adopt and amend bylaws not in conflict with
26 this act or the laws of this state.

1 (8) To enter into contracts and agreements with any
2 landowner, owner, or any other person concerning the
3 installation, construction, or acquisition of revitalization
4 projects, assessment of the costs thereof, the waiver or
5 limitation of legal rights, or any other matter concerning the
6 authority or revitalization projects of the authority.

7 (9) To have and exercise all rights and powers
8 necessary or incidental to or implied from the specific powers
9 granted in this act. A specific power shall not be considered
10 as a limitation upon any power necessary, useful, or
11 appropriate to carry out the purposes and intent of this act.

12 (10) To take official action with respect to the
13 reimbursement of costs associated with revitalization
14 projects.

15 (11) To enter into contracts and agreements and
16 other instruments, and to take other actions as may be
17 necessary or convenient to accomplish any purpose for which an
18 authority is organized or to exercise any power expressly
19 granted hereunder.

20 Section 5. (a) Authorities, members of boards of
21 directors, officers, and agents of the authority shall have
22 the same immunity from liability as a municipality and its
23 officers. No civil action shall be brought or maintained
24 against the authority or any director thereof for or on
25 account of the negligence of an authority or director or its
26 or his or her agents, servants, or employees in or about the
27 construction, acquisition, installation, maintenance,

1 operation, superintendence, or management of any facility or
2 other improvement owned, controlled, maintained, or managed by
3 the authority.

4 (b) No civil action may be maintained against a
5 municipality, its officers, servants, employees, or agents
6 relating to any facility built by an authority or to any other
7 project owned, controlled, maintained, or managed by an
8 authority.

9 Section 6. Members of the board shall serve terms of
10 office of four years, unless the petition for incorporation
11 provides a different term. Upon the expiration of the term of
12 office of any member of the board, the person shall remain a
13 member of the board until his or her successor has been duly
14 appointed by the authority.

15 Section 7. (a) Upon the making of the preliminary
16 assessments, the authority shall prepare contracts and shall
17 contract for the acquisition, construction, or installation of
18 all projects as specified in the petition.

19 (b) Because authority revitalization projects are
20 paid from assessments of members of the authority, no public
21 funds may be utilized and projects shall be exempt from state
22 bidding law.

23 (c) The authority may not contract for and commence
24 the acquisition, construction, or installation of one or more
25 projects or a portion of one or more projects in advance of a
26 preliminary or final assessment.

1 Section 8. Following the completion of the
2 acquisition, construction, or installation of the projects, if
3 there are excess funds from assessments, after fully funding
4 all reserves and contingency funds, the excess funds shall be
5 refunded in a manner determined equitable by the board, or as
6 otherwise provided in the board's proceedings with respect to
7 its bylaws.

8 Section 9. Following completion of all projects of
9 an authority and the dedication of the projects and related
10 facilities, the municipality must formally accept the
11 dedication of such facility and projects.

12 Section 10. If at any time an authority has no
13 assessments outstanding, and has paid all its indebtedness,
14 and distributed any excess funds, the board may adopt a
15 resolution recommending to the municipality, that the
16 authority be dissolved and liquidated. Upon delivery of a copy
17 of the resolution to the municipality, if it considers it
18 expedient, may adopt a resolution declaring the authority
19 dissolved. Upon declaring the authority dissolved, the
20 authority shall dedicate the facilities and revitalization
21 projects to the municipality. The municipality must formally
22 accept such dedicated facilities and projects before it agrees
23 to assume the legal obligation to maintain the facilities and
24 projects.

25 Section 11. Each homeowner and business that makes
26 an assessment pursuant to this act, beginning in the 2011 tax
27 year, shall be eligible for an income tax credit of 10 percent

1 of the amount of assessment made, not to exceed one thousand
2 dollars (\$1,000) credit in any tax year, for a period not
3 exceeding 10 successive tax years.

4 Section 12. This act shall automatically expire
5 December 31, 2014, unless specifically extended by an act of
6 the Legislature; however, all authorities in existence as of
7 December 31, 2012, shall continue in existence until all
8 existing projects of the authority are completed and the
9 authority seeks dissolution.

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