

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 17-0447.01 Bob Lackner x4350

SENATE BILL 17-285

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A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO STATUTORY PROVISIONS GOVERNING**
102 **DOWNTOWN DEVELOPMENT AUTHORITIES TO PROMOTE THE**
103 **EQUITABLE FINANCIAL CONTRIBUTION AMONG AFFECTED**
104 **PUBLIC BODIES IN CONNECTION WITH DEVELOPMENT PROJECTS**
105 **ALLOCATING TAX REVENUES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill modifies certain statutory requirements applicable to a downtown development authority (authority) in the following respects:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

- ! In all cases where any plan of development managed by the authority includes an allocation of property tax increment generated by the mill levy imposed by one or more public bodies that are not municipalities, the bill requires that one director of the board of such authority be appointed by agreement of the boards of county commissioners of each county other than a city and county whose property taxes are subject to allocation under any such plan. One director must also be appointed by agreement of the boards of education of each school district whose property taxes are subject to allocation under any such plan and one director must also be appointed by agreement of the boards of directors of each special district whose property taxes are subject to allocation under any such plan.
- ! The bill specifies additional requirements applicable to the appointment of board members.
- ! In connection with existing statutory procedures permitting an authority to allocate taxes it collects to a special fund to finance a plan of development, the bill clarifies that the taxes that may be allocated are the property taxes of specifically designated public bodies.
- ! Before any plan of development containing any tax allocation provisions that allocates any taxes of any taxing entity other than the municipality may be approved by the municipal governing body, the bill requires the authority to notify the governing boards of each other taxing entity whose incremental property tax revenues would be allocated under such proposed plan. Representatives of the authority and the governing body of the municipality and of each taxing entity are then required to meet and attempt to negotiate an agreement governing the sharing of incremental property tax revenue collected within the plan of development area. The agreement may be entered into separately among the municipality, the authority, and each such taxing entity, or through a joint agreement among the municipality, the authority, and any taxing entity that has chosen to enter into that agreement. Any such shared incremental tax revenues governed by any agreement are limited to incremental revenue that may be allocated to a plan of development.
- ! The bill gives the parties 120 days to negotiate an agreement. If, after such period has passed, the parties fail to enter into an agreement, the bill requires the parties to participate in mediation on the issue of the appropriate sharing of incremental property tax revenues and the costs

of a development project among the municipality, the authority, and any such taxing entities whose incremental property tax revenues will be allocated pursuant to a plan of development and with whom an intergovernmental agreement with the municipality and the authority has not been reached.

- ! The mediation is to be conducted by a mediator jointly selected by the parties. If the parties are unable to agree on the appointment of a single mediator, the bill specifies requirements governing the appointment by the parties of a 3-mediator panel, payment of the mediator's fees and costs, and issues the mediator is to consider in making his or her determination.
- ! Within 90 days, the bill requires the mediator to issue his or her findings of fact as to the appropriate sharing of costs and incremental property tax revenues, and to promptly transmit such information to the parties. With respect to the use of incremental property tax revenues of each other taxing entity, following the issuance of findings by the mediator, the governing body of the municipality is required to:
 - ! Incorporate the mediator's findings on the use of incremental property tax revenues of any taxing body into the plan of development and an intergovernmental agreement and proceed to adopt the plan;
 - ! Amend the plan of development to delete authorization of the use of the incremental property tax revenues of any taxing body with whom an agreement has not been reached; or
 - ! Direct the authority to either incorporate the mediator's findings into one or more intergovernmental agreements with other taxing entities or enter into new negotiations with one or more taxing entities and enter into one or more intergovernmental agreements with such taxing entities that incorporate such new or different provisions concerning the sharing of costs and incremental property tax revenues with which the parties are in agreement.
- ! The bill prohibits any incremental property tax revenues from being allocated to and paid into the special fund of the authority unless the municipality and the authority have satisfied the mediation and other requirements of the bill.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 31-25-805 as
3 follows:

4 **31-25-805. Board - membership - term of office.** (1) The affairs
5 of the authority ~~shall be~~ ARE under the direct supervision and control of
6 a board ~~consisting of~~ APPOINTED AS PROVIDED IN THIS SECTION. Not less
7 than five nor more than eleven members OF THE BOARD MUST BE
8 appointed by the governing body. IN ALL CASES WHERE ANY PLAN OF
9 DEVELOPMENT MANAGED BY THE AUTHORITY INCLUDES AN ALLOCATION
10 OF PROPERTY TAX INCREMENT GENERATED BY THE MILL LEVY IMPOSED BY
11 ONE OR MORE PUBLIC BODIES THAT ARE NOT MUNICIPALITIES, ONE
12 DIRECTOR MUST BE APPOINTED BY AGREEMENT OF THE BOARDS OF
13 COUNTY COMMISSIONERS OF EACH COUNTY, OTHER THAN A CITY AND
14 COUNTY, WHOSE PROPERTY TAXES ARE SUBJECT TO ALLOCATION UNDER
15 ANY SUCH PLAN. THE DIRECTOR APPOINTED BY AGREEMENT BETWEEN OR
16 AMONG THE BOARDS OF COUNTY COMMISSIONERS MUST BE EITHER A
17 MEMBER OF ONE SUCH BOARD OR A DESIGNEE APPOINTED BY SUCH BOARDS
18 WHO SERVES AT THE PLEASURE OF SUCH BOARDS. ONE DIRECTOR MUST
19 ALSO BE APPOINTED BY AGREEMENT OF THE BOARDS OF EDUCATION OF
20 EACH SCHOOL DISTRICT WHOSE PROPERTY TAXES ARE SUBJECT TO
21 ALLOCATION UNDER ANY SUCH PLAN AND ONE DIRECTOR MUST ALSO BE
22 APPOINTED BY AGREEMENT OF THE BOARDS OF DIRECTORS OF EACH
23 SPECIAL DISTRICT FORMED UNDER TITLE 32 WHOSE PROPERTY TAXES ARE
24 SUBJECT TO ALLOCATION UNDER ANY SUCH PLAN. THE DIRECTOR
25 APPOINTED BY AGREEMENT BETWEEN OR AMONG THE BOARDS OF
26 EDUCATION MUST BE EITHER A MEMBER OF ONE SUCH BOARD OR A

1 DESIGNEE APPOINTED BY SUCH BOARDS WHO SERVES AT THE PLEASURE OF
2 SUCH BOARDS. THE DIRECTOR APPOINTED BY AGREEMENT BETWEEN OR
3 AMONG THE BOARDS OF DIRECTORS OF SPECIAL DISTRICTS MUST BE EITHER
4 A MEMBER OF ONE SUCH BOARD OR A DESIGNEE APPOINTED BY SUCH
5 BOARDS WHO SERVES AT THE PLEASURE OF SUCH BOARDS. IF A COUNTY,
6 SCHOOL DISTRICT, OR SPECIAL DISTRICT DOES NOT APPOINT A DIRECTOR TO
7 THE BOARD OF THE AUTHORITY, THE RESPECTIVE COUNTY, SCHOOL
8 DISTRICT, OR SPECIAL DISTRICT APPOINTMENT REMAINS VACANT AND IS
9 NOT COUNTED FOR PURPOSES OF A QUORUM OR VOTING REQUIREMENTS
10 UNTIL SUCH TIME AS THE APPLICABLE APPOINTING AUTHORITY MAKES THE
11 APPOINTMENT PURSUANT TO THIS SUBSECTION (1). A majority of the
12 members appointed ~~shall~~ BY THE MUNICIPALITY MUST reside or own
13 property in the downtown development district.

14 (2) The board ~~shall be constituted as follows~~ MEMBERS APPOINTED
15 BY THE GOVERNING BODY OF THE MUNICIPALITY MUST BE APPOINTED IN
16 ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:

17 (a) At least one member ~~shall~~ MUST be a member of the governing
18 body, appointed to serve at the pleasure of the governing body.

19 (b) Two members ~~shall~~ MUST be appointed for terms expiring June
20 30 of the year following the date of the ordinance adopted by the
21 governing body establishing the authority.

22 (c) Two members ~~shall~~ MUST be appointed for terms expiring June
23 30 of the second year following the date of the ordinance adopted by the
24 governing body establishing the authority.

25 (d) Two members, if the board consists of seven or more
26 members, ~~shall~~ MUST be appointed for terms expiring June 30 of the third
27 year following the date of the ordinance adopted by the governing body

1 establishing the authority.

2 (e) All other members ~~shall~~ MUST be appointed for terms expiring
3 June 30 of the fourth year following the date of the ordinance adopted by
4 the governing body establishing the authority.

5 (3) A member ~~shall hold~~ HOLDS office until his OR HER successor
6 has been appointed and qualified. After the terms of the initial members
7 of the board have expired, the terms of all members (except any member
8 who is a member of the governing body) ~~shall~~ expire four years from the
9 expiration date of the terms of their predecessors. Appointments to fill
10 vacancies ~~shall be~~ ARE for the unexpired term. In any municipality in
11 which the charter provides that the appointive authority is the mayor, the
12 mayor shall make appointments to the board. APPOINTMENTS OF
13 MEMBERS SUCCEEDING A MEMBER APPOINTED BY A BOARD OF COUNTY
14 COMMISSIONERS, A SPECIAL DISTRICT, OR A SCHOOL DISTRICT MUST BE
15 MADE IN ACCORDANCE WITH THE APPOINTMENT PROCEDURES SPECIFIED
16 IN SUBSECTION (1) OF THIS SECTION.

17 (4) THE TERM OF OFFICE FOR A MEMBER OF THE AUTHORITY
18 REPRESENTING ONE OR MORE COUNTIES, SPECIAL DISTRICTS, OR SCHOOL
19 DISTRICTS PURSUANT TO SUBSECTION (1) OF THIS SECTION IS FOUR YEARS
20 AND ANY SUCH MEMBER MAY BE APPOINTED BY HIS OR HER APPOINTING
21 AUTHORITY FOR AN UNLIMITED NUMBER OF ADDITIONAL TERMS UNTIL
22 EITHER THE PLAN OF DEVELOPMENT OR THE USE OF PROPERTY TAX
23 INCREMENT REVENUE GENERATED BY THE MILL LEVY IMPOSED BY THE
24 PARTICULAR APPOINTING AUTHORITY TERMINATES, WHICHEVER IS
25 EARLIER.

26 **SECTION 2.** In Colorado Revised Statutes, 31-25-806, **amend**
27 (1) and (2) as follows:

1 **31-25-806. Board membership - qualifications - nominations**
2 **- rules - removal.** (1) Each appointed member of the board, except any
3 member from the governing body, shall reside, be a business lessee, or
4 own real property in the downtown development district within the
5 municipality in which the authority is located; EXCEPT THAT THIS
6 RESIDENCY REQUIREMENT DOES NOT APPLY TO MEMBERS OF THE
7 AUTHORITY APPOINTED BY COUNTIES, SPECIAL DISTRICTS, OR SCHOOL
8 DISTRICTS PURSUANT TO SECTION 31-25-805 (1). A manager, as that term
9 is defined in section 7-90-102, ~~C.R.S.~~, an agent, or an employee of an
10 entity, as that term is defined in section 7-90-102, ~~C.R.S.~~, having its place
11 of business in the downtown development district ~~shall be~~ IS eligible for
12 appointment to the board. No officer or employee of the municipality
13 where the authority is located, other than any appointee from the
14 governing body, ~~shall be~~ IS eligible for appointment to the board. Within
15 thirty days after the occurrence of a vacancy, the governing body, except
16 as provided in section 31-25-805 (3), shall appoint a successor.

17 (2) Before assuming the duties of the office, each ~~appointed~~
18 member ~~shall qualify~~ APPOINTED TO THE AUTHORITY BY THE MUNICIPAL
19 GOVERNING BODY BECOMES QUALIFIED TO HOLD OFFICE by taking and
20 subscribing to the oath of office required of officials of the municipality.
21 ANY MEMBER OF THE AUTHORITY REPRESENTING A COUNTY, SPECIAL
22 DISTRICT, OR SCHOOL DISTRICT BECOMES QUALIFIED AS DETERMINED BY
23 THE APPLICABLE APPOINTING AUTHORITY PURSUANT TO SECTION
24 31-25-805 (1).

25 **SECTION 3.** In Colorado Revised Statutes, 31-25-807, **amend**
26 (3)(a) introductory portion and (3)(a)(II); and **add** (3)(g), (3.5), and (3.7)
27 as follows:

1 **31-25-807. Powers - duties - definition.** (3) (a) Notwithstanding
2 any law to the contrary and subject to the provisions of ~~subparagraph (IV)~~
3 ~~of this paragraph (a)~~ SUBSECTION (3)(a)(IV) OF THIS SECTION, any such
4 plan of development as originally adopted by the board or as later
5 modified pursuant to this part 8 may, after approval by the governing
6 body of the municipality, contain a provision that ALL OR ANY PORTION OF
7 THE PROPERTY TAXES OF SPECIFICALLY DESIGNATED PUBLIC BODIES, if any,
8 levied after the effective date of the approval of such plan of development
9 by said governing body upon taxable property within the boundaries of
10 the plan of development area each year or that municipal sales taxes, not
11 including any sales taxes for remote sales as specified in section
12 39-26-104 (2) ~~C.R.S.~~, collected within said area, or both such taxes, by
13 or for the benefit of ~~any~~ THE DESIGNATED public body ~~shall~~ MUST be
14 divided for a period not to exceed thirty years or such longer period as
15 provided for in ~~subparagraph (IV) of this paragraph (a)~~ SUBSECTION
16 (3)(a)(IV) OF THIS SECTION after the effective date of approval by said
17 governing body of such a provision, as follows:

18 (II) That portion of said property taxes or all or any portion of said
19 sales taxes, or both, in excess of such amount ~~shall~~ MUST be allocated to
20 and, when collected, paid into a special fund of the municipality for the
21 payment of the principal of, the interest on, and any premiums due in
22 connection with the bonds of, loans or advances to, or indebtedness
23 incurred by, whether funded, refunded, assumed, or otherwise, the
24 municipality for financing or refinancing, in whole or in part, a
25 development project within the boundaries of the plan of development
26 area. Any excess municipal sales tax OR PROPERTY TAX collection not
27 allocated pursuant to this ~~subparagraph (II) shall~~ SUBSECTION (3)(a)(II)

1 MUST be paid into the funds of the municipality OR OTHER TAXING ENTITY,
2 AS APPLICABLE. Unless and until the total valuation for assessment of the
3 taxable property within the boundaries of the plan of development area
4 exceeds the base valuation for assessment of the taxable property within
5 such boundaries, as provided in ~~subparagraph (I) of this paragraph (a)~~
6 SUBSECTION (3)(a)(I) OF THIS SECTION, all of the taxes levied upon the
7 taxable property in such boundary area ~~shall~~ MUST be paid into the funds
8 of the respective public bodies. Unless and until the total municipal sales
9 tax collections in the plan of development area exceed the base year
10 municipal sales tax collections in such area, as provided in ~~subparagraph~~
11 ~~(I) of this paragraph (a)~~ SUBSECTION (3)(a)(I) OF THIS SECTION, all such
12 sales tax collections ~~shall~~ MUST be paid into the funds of the municipality.
13 When such bonds, loans, advances, and indebtedness, if any, including
14 interest thereon and any premiums due in connection therewith, and
15 including any refunding securities therefor, have been paid, all taxes upon
16 the taxable property or the total municipal sales tax collections, or both,
17 in such boundary area ~~shall~~ MUST be paid into the funds of the respective
18 public bodies, AND ALL MONEYS REMAINING IN THE SPECIAL FUND
19 ESTABLISHED PURSUANT TO THIS SUBSECTION (3)(a)(II) THAT HAVE NOT
20 PREVIOUSLY BEEN REBATED AND THAT ORIGINATED AS PROPERTY TAX
21 INCREMENT GENERATED BASED ON THE MILL LEVY OF A TAXING BODY,
22 OTHER THAN THE MUNICIPALITY, WITHIN THE BOUNDARIES OF THE PLAN
23 OF DEVELOPMENT AREA, MUST BE REPAID TO EACH TAXING BODY BASED
24 ON THE PRO RATA SHARE OF THE PRIOR YEAR'S PROPERTY TAX INCREMENT
25 ATTRIBUTABLE TO EACH TAXING BODY'S CURRENT MILL LEVY IN WHICH
26 PROPERTY TAXES WERE DIVIDED PURSUANT TO THIS SUBSECTION (3). ANY
27 MONEYS REMAINING IN THE SPECIAL FUND NOT GENERATED BY PROPERTY

1 TAX INCREMENT ARE EXCLUDED FROM ANY SUCH REPAYMENT
2 REQUIREMENT.

3 (g) THE MUNICIPALITY, COUNTY, SPECIAL DISTRICT, OR SCHOOL
4 DISTRICT IS ENTITLED TO THE REIMBURSEMENT OF ANY MONEYS THAT
5 SUCH MUNICIPALITY, COUNTY, SPECIAL DISTRICT, OR SCHOOL DISTRICT
6 PAYS TO, CONTRIBUTES TO, OR INVESTS IN THE AUTHORITY FOR THE
7 PROJECT WITHIN THE TWELVE-MONTH PERIOD PRIOR TO THE EFFECTIVE
8 DATE OF THE APPROVAL OR MODIFICATION OF THE PLAN OF DEVELOPMENT
9 REQUIRING THE ALLOCATION OF MONEYS TO THE AUTHORITY PURSUANT
10 TO SUBSECTION (3)(a) OF THIS SECTION. THE REIMBURSEMENT IS TO BE
11 PAID FROM THE SPECIAL FUND OF THE AUTHORITY ESTABLISHED PURSUANT
12 TO SUBSECTION (3)(a) OF THIS SECTION.

13 (3.5) (a) BEFORE ANY PLAN OF DEVELOPMENT CONTAINING ANY
14 TAX ALLOCATION PROVISIONS THAT ALLOCATES ANY TAXES OF ANY
15 TAXING ENTITY OTHER THAN THE MUNICIPALITY MAY BE APPROVED BY
16 THE MUNICIPAL GOVERNING BODY PURSUANT TO SUBSECTION (4) OF THIS
17 SECTION, THE AUTHORITY SHALL NOTIFY THE GOVERNING BOARDS OF
18 EACH OTHER TAXING ENTITY WHOSE INCREMENTAL PROPERTY TAX
19 REVENUES WOULD BE ALLOCATED UNDER SUCH PROPOSED PLAN.
20 REPRESENTATIVES OF THE AUTHORITY AND THE GOVERNING BODY OF THE
21 MUNICIPALITY AND OF EACH TAXING ENTITY SHALL THEN MEET AND
22 ATTEMPT TO NEGOTIATE AN AGREEMENT GOVERNING THE SHARING OF
23 INCREMENTAL PROPERTY TAX REVENUE COLLECTED WITHIN THE PLAN OF
24 DEVELOPMENT AREA. THE AGREEMENT MUST ADDRESS, WITHOUT
25 LIMITATION, ESTIMATED IMPACTS OF THE PLAN OF DEVELOPMENT ON
26 COUNTY OR DISTRICT SERVICES ASSOCIATED SOLELY WITH THE PLAN OF
27 DEVELOPMENT. THE AGREEMENT MAY BE ENTERED INTO SEPARATELY

1 AMONG THE MUNICIPALITY, THE AUTHORITY, AND EACH SUCH TAXING
2 ENTITY, OR THROUGH A JOINT AGREEMENT AMONG THE MUNICIPALITY,
3 THE AUTHORITY, AND ANY TAXING ENTITY THAT HAS CHOSEN TO ENTER
4 INTO THAT AGREEMENT. ANY SUCH SHARED INCREMENTAL TAX REVENUES
5 GOVERNED BY ANY AGREEMENT ARE LIMITED TO INCREMENTAL REVENUE
6 THAT MAY BE ALLOCATED TO A PLAN OF DEVELOPMENT UNDER
7 SUBSECTION (3)(a) OF THIS SECTION.

8 (b) IN ACCORDANCE WITH AN AGREEMENT THAT IS DESCRIBED IN
9 SUBSECTION (3)(a) OF THIS SECTION, A PORTION OF THE INCREMENTAL
10 PROPERTY TAXES LEVIED MUST BE PAID INTO THE SPECIAL FUND OF THE
11 MUNICIPALITY AND THE BALANCE OF SUCH TAX REVENUES MUST BE PAID
12 INTO THE FUNDS OF THE OTHER PUBLIC BODIES BY OR FOR WHICH SUCH
13 TAXES ARE COLLECTED.

14 (c) THE AGREEMENT DESCRIBED IN SUBSECTION (3.5)(a) OF THIS
15 SECTION MAY PROVIDE FOR A WAIVER OF ANY PROVISION OF THIS PART 8
16 THAT PROVIDES FOR NOTICE TO THE TAXING ENTITY, REQUIRES ANY FILING
17 WITH OR BY THE TAXING ENTITY, REQUIRES OR PERMITS CONSENT FROM
18 THE TAXING ENTITY, OR PROVIDES ANY ENFORCEMENT RIGHT TO THE
19 TAXING ENTITY.

20 (d) IF, AFTER A PERIOD OF ONE HUNDRED TWENTY DAYS FROM THE
21 DATE OF NOTICE OR SUCH LONGER OR SHORTER PERIOD AS THE
22 MUNICIPALITY, THE AUTHORITY, AND ANY TAXING ENTITY MAY AGREE,
23 THERE IS NO AGREEMENT AMONG THE MUNICIPALITY, THE AUTHORITY,
24 AND ANY TAXING ENTITY AS DESCRIBED IN SUBSECTION (3.5)(a) OF THIS
25 SECTION, THE MUNICIPALITY, THE AUTHORITY, AND ANY APPLICABLE
26 TAXING ENTITY ARE SUBJECT TO THE PROVISIONS AND LIMITATIONS OF
27 SUBSECTION (3.5)(e) OF THIS SECTION.

1 (e) (I) IN AN ABSENCE OF AN AGREEMENT BETWEEN THE
2 MUNICIPALITY, THE AUTHORITY, AND ANY TAXING ENTITY AS DESCRIBED
3 IN SUBSECTION (3.5)(a) OF THIS SECTION, THE PARTIES MUST PARTICIPATE
4 IN MEDIATION ON THE ISSUE OF THE APPROPRIATE SHARING OF
5 INCREMENTAL PROPERTY TAX REVENUES AND THE COSTS OF A
6 DEVELOPMENT PROJECT AMONG THE MUNICIPALITY, THE AUTHORITY, AND
7 ANY SUCH TAXING ENTITIES WHOSE INCREMENTAL PROPERTY TAX
8 REVENUES WILL BE ALLOCATED PURSUANT TO A PLAN OF DEVELOPMENT
9 AND WITH WHOM AN INTERGOVERNMENTAL AGREEMENT WITH THE
10 MUNICIPALITY AND THE AUTHORITY HAS NOT BEEN REACHED.

11 (II) THE MEDIATION REQUIRED BY SUBSECTION (3.5)(e)(I) OF THIS
12 SECTION MUST BE CONDUCTED BY A MEDIATOR WHO HAS BEEN JOINTLY
13 SELECTED BY THE PARTIES; EXCEPT THAT, IF THE PARTIES ARE UNABLE TO
14 AGREE ON THE SELECTION OF A MEDIATOR, THEN THE MUNICIPALITY SHALL
15 SELECT ONE MEDIATOR, THE OTHER TAXING ENTITIES SHALL SELECT A
16 SECOND MEDIATOR, AND THESE TWO MEDIATORS SHALL THEN SELECT A
17 THIRD MEDIATOR. IN SUCH CIRCUMSTANCES, THE MEDIATION WILL BE
18 JOINTLY CONDUCTED BY THE THREE MEDIATORS. UNLESS ALL PARTIES
19 OTHERWISE AGREE, ANY MEDIATOR SELECTED PURSUANT TO THIS
20 SUBSECTION (3.5)(e)(II) MUST BE AN ATTORNEY LICENSED IN THE STATE
21 FOR AT LEAST TEN YEARS AND MUST BE EXPERIENCED IN BOTH LAND USE
22 AND ADMINISTRATIVE LAW. PAYMENT OF THE FEES AND COSTS FOR THE
23 MEDIATION MUST BE SPLIT EQUALLY BETWEEN OR AMONG THE PARTIES.

24 (III) IN MAKING A DETERMINATION OF THE APPROPRIATE SHARING,
25 THE MEDIATOR MUST CONSIDER THE NATURE OF THE DEVELOPMENT
26 PROJECT, THE NATURE AND RELATIVE SIZE OF THE REVENUE AND OTHER
27 BENEFITS THAT ARE EXPECTED TO ACCRUE TO THE MUNICIPALITY, THE

1 AUTHORITY, AND OTHER TAXING ENTITIES AS A RESULT OF THE PROJECT,
2 ANY LEGAL LIMITATIONS ON THE USE OF REVENUES BELONGING TO THE
3 MUNICIPALITY OR ANY TAXING ENTITY, AND ANY CAPITAL OR OPERATING
4 COSTS THAT ARE EXPECTED TO RESULT FROM THE PROJECT. WITHIN
5 NINETY DAYS, THE MEDIATOR MUST ISSUE HIS OR HER FINDINGS OF FACT
6 AS TO THE APPROPRIATE SHARING OF COSTS AND INCREMENTAL PROPERTY
7 TAX REVENUES, AND SHALL PROMPTLY TRANSMIT SUCH INFORMATION TO
8 THE PARTIES. WITH RESPECT TO THE USE OF INCREMENTAL PROPERTY TAX
9 REVENUES OF EACH OTHER TAXING ENTITY, FOLLOWING THE ISSUANCE OF
10 FINDINGS BY THE MEDIATOR, THE GOVERNING BODY OF THE MUNICIPALITY
11 SHALL:

12 (A) INCORPORATE THE MEDIATOR'S FINDINGS ON THE USE OF
13 INCREMENTAL PROPERTY TAX REVENUES OF ANY TAXING BODY INTO THE
14 PLAN OF DEVELOPMENT AND AN INTERGOVERNMENTAL AGREEMENT AND
15 PROCEED TO ADOPT THE PLAN;

16 (B) AMEND THE PLAN OF DEVELOPMENT TO DELETE
17 AUTHORIZATION OF THE USE OF THE INCREMENTAL PROPERTY TAX
18 REVENUES OF ANY TAXING BODY WITH WHOM AN AGREEMENT HAS NOT
19 BEEN REACHED; OR

20 (C) DIRECT THE AUTHORITY TO EITHER INCORPORATE THE
21 MEDIATOR'S FINDINGS INTO ONE OR MORE INTERGOVERNMENTAL
22 AGREEMENTS WITH OTHER TAXING ENTITIES OR TO ENTER INTO NEW
23 NEGOTIATIONS WITH ONE OR MORE TAXING ENTITIES AND TO ENTER INTO
24 ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH SUCH TAXING
25 ENTITIES THAT INCORPORATE SUCH NEW OR DIFFERENT PROVISIONS
26 CONCERNING THE SHARING OF COSTS AND INCREMENTAL PROPERTY TAX
27 REVENUES WITH WHICH THE PARTIES ARE IN AGREEMENT.

1 (f) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO
2 INCREMENTAL PROPERTY TAX REVENUES MAY BE ALLOCATED TO AND PAID
3 INTO THE SPECIAL FUND OF THE AUTHORITY IN ACCORDANCE WITH
4 SUBSECTION (3)(a)(II) OF THIS SECTION UNLESS THE MUNICIPALITY AND
5 THE AUTHORITY HAVE SATISFIED THE REQUIREMENTS OF THIS SUBSECTION
6 (3.5).

7 (g) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
8 A CITY AND COUNTY IS NOT REQUIRED TO REACH AN AGREEMENT WITH A
9 COUNTY SATISFYING THE REQUIREMENTS OF THIS SUBSECTION (3.5).

10 (h) FOR PURPOSES OF THIS SUBSECTION (3.5), "TAXING ENTITY"
11 MEANS ANY COUNTY, SPECIAL DISTRICT, OR OTHER PUBLIC BODY THAT
12 LEVIES AN AD VALOREM PROPERTY TAX ON PROPERTY WITHIN THE PLAN
13 OF DEVELOPMENT AREA SUBJECT TO A TAX ALLOCATION PROVISION.

14 (3.7) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NOTHING
15 IN SUBSECTION (3.5) OF THIS SECTION IS INTENDED TO IMPAIR, JEOPARDIZE,
16 OR PUT AT RISK ANY EXISTING BONDS, INVESTMENTS, LOANS, CONTRACTS,
17 OR FINANCIAL OBLIGATIONS OF A DOWNTOWN DEVELOPMENT AUTHORITY
18 THAT ARE OUTSTANDING AS OF DECEMBER 31, 2017, OR THAT ARE
19 SUBSEQUENTLY REFINANCED, OR THE PLEDGE OF PLEDGED REVENUES OR
20 ASSETS FOR THE PAYMENT THEREOF THAT OCCURRED ON OR BEFORE
21 DECEMBER 31, 2017, OR IN CONNECTION WITH A SUBSEQUENT
22 REFINANCING.

23 **SECTION 4. Act subject to petition - effective date -**
24 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
25 the expiration of the ninety-day period after final adjournment of the
26 general assembly (August 9, 2017, if adjournment sine die is on May 10,
27 2017); except that, if a referendum petition is filed pursuant to section 1

1 (3) of article V of the state constitution against this act or an item, section,
2 or part of this act within such period, then the act, item, section, or part
3 will not take effect unless approved by the people at the general election
4 to be held in November 2018 and, in such case, will take effect on the
5 date of the official declaration of the vote thereon by the governor.

6 (2) This act applies to all downtown development authorities
7 created on or after January 1, 2018, and to any plans of development as
8 such term is used with reference to downtown development authorities
9 adopted by such authorities and approved by the municipality on or after
10 said date.