

1 SB112  
2 195756-1  
3 By Senators Figures, Sessions and Williams (N & P)  
4 RFD: Mobile County Legislation  
5 First Read: 19-MAR-19

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: Under existing law, a Class 2 municipality  
9 may provide for the establishment of self-help  
10 business improvement districts authorized to levy  
11 assessments to promote economic growth in the  
12 districts.

13 The bill would provide procedures for any  
14 Class 2 municipality to establish additional  
15 self-help business improvement districts for the  
16 purpose of promoting tourism, including the  
17 creation of nonprofit district management  
18 corporations to manage the districts. The bill  
19 would authorize districts to levy a special  
20 assessment on particular classes of businesses  
21 located within the district for the purpose of  
22 promoting tourism for the benefit of businesses in  
23 the district. The bill would provide for the  
24 dissolution of a district and withdrawal of a  
25 nonprofit corporation's designation as a district  
26 management corporation.

1                   The bill would also provide procedures for  
2                   certain self-help business improvement districts to  
3                   expand or reduce the territory in the district  
4                   under certain conditions.

5  
6                   A BILL  
7                   TO BE ENTITLED  
8                   AN ACT

9  
10                   Relating to Class 2 municipalities; to amend  
11                   Sections 11-54B-40, 11-54B-41, 11-54B-43 to 11-54B-50,  
12                   11-54B-57, and 11-54B-58 of the Code of Alabama 1975, to  
13                   provide procedures for the establishment of self-help business  
14                   improvement districts for the purpose of promoting tourism,  
15                   including the creation of nonprofit district management  
16                   corporations to manage the districts; to provide for the levy  
17                   of a special assessment on particular classes of businesses  
18                   located within the geographical area of a district for the  
19                   purpose of promoting tourism for the benefit of businesses in  
20                   the district; to provide for dissolution of a district and  
21                   withdrawal of a nonprofit corporation's designation as a  
22                   district management corporation; and to provide procedures for  
23                   certain self-help business improvement districts to expand or  
24                   reduce territory in the district under certain conditions.

25                   BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26                   Section 1. This act only applies to Class 2  
27                   municipalities.

1           Section 2. Sections 11-54B-40, 11-54B-41, 11-54B-43  
2 to 11-54B-50, 11-54B-57, and 11-54B-58 of the Code of Alabama  
3 1975, are amended to read as follows:

4           "§11-54B-40.

5           "Legislative findings.

6           "(a) The Legislature makes the following findings:

7           "(1) That patterns of urban development have had  
8 substantial adverse impacts upon downtown and community  
9 business districts vital to the economy of the State of  
10 Alabama.

11           "(2) That the public interest would be advanced by  
12 authorizing the creation of self-help business improvement  
13 districts and district management corporations to assist any  
14 Class 2 municipality in promoting economic growth in business  
15 districts.

16           "(3) That the public interest would also be advanced  
17 by authorizing the creation of self-help business districts  
18 for the promotion of tourism that include businesses of a  
19 designated class and funding supplemental business services  
20 through the levy of assessments on businesses of the  
21 designated class that receive benefits from those supplemental  
22 business services.

23           "~~(3)~~ (4) That a district management corporation  
24 representing real property owners, or in certain cases, owners  
25 of a particular class of business, within self-help business  
26 improvement districts can assist any Class 2 municipality in

1 promoting economic growth and employment within business  
2 districts.

3 ~~"(4)~~ (5) That any Class 2 municipality should be  
4 authorized to create self-help business improvement districts  
5 and designate a district management corporation to execute  
6 self-help programs to improve the local business climate.

7 "(b) The Legislature further finds that it is the  
8 public policy of the State of Alabama to permit any Class 2  
9 municipality to protect the public welfare and the interests  
10 of the public in the safe effective movement of persons, to  
11 encourage healthy economic development, to promote jobs, and  
12 to preserve and enhance the function and appearance of  
13 business districts located within any Class 2 municipality  
14 through the adoption of ordinances as authorized by this  
15 article.

16 "§11-54B-41.

17 "Definitions.

18 "As used in this article, the following words and  
19 phrases shall have the following meanings:

20 "(1) DISTRICT MANAGEMENT CORPORATION. An entity  
21 created by incorporation under the Alabama Nonprofit  
22 Corporation Act, Chapter 3A of Title 10, and designated by  
23 ordinance by the incorporated municipality to manage a  
24 self-help business improvement district.

25 "(2) MUNICIPALITY. Those municipalities designated  
26 as Class 2 municipalities as defined in Section 11-40-12.

1           "(3) SELF-HELP BUSINESS IMPROVEMENT DISTRICT. An  
2 area within the incorporated municipality designated by  
3 ordinance as an area in which a special assessment may be  
4 levied on the owners of real property located within the  
5 geographical area of the district for the purposes of  
6 providing supplemental services within the district and  
7 promoting the economic and general welfare of the district;  
8 or, alternatively with respect to a district formed for the  
9 purpose of increasing tourism within the municipality, an area  
10 or areas within the municipality designated by ordinance as an  
11 area or areas in which a special assessment may be levied on  
12 businesses of a particular class located within the  
13 geographical area of the district for the purposes of  
14 providing supplemental services for the benefit of the  
15 businesses within the district, in which case the district  
16 shall include only those existing and future businesses of the  
17 designated class.

18           "§11-54B-43.

19           "Findings required for a public hearing on the  
20 adoption of a self-help business improvement district  
21 ordinance.

22           "A public hearing on the adoption of an ordinance  
23 creating a self-help business improvement district may be  
24 called only if the governing body of a Class 2 municipality  
25 finds that:

26           "(1) A request for the creation of a self-help  
27 business improvement district which satisfies the requirements

1 of Section 11-54B-44 has been filed with the clerk of the  
2 municipality.

3 "(2) The area described in the self-help business  
4 improvement plan would benefit from being designated as a  
5 self-help business improvement district.

6 "(3) The self-help business improvement district  
7 plan required by Section 11-54B-44 includes a designated  
8 district management corporation to provide administrative and  
9 other services to benefit businesses, employees, residents,  
10 and consumers in the self-help business improvement district.

11 "(4) The self-help business improvement district  
12 plan includes a special assessment which will be levied by the  
13 municipality on the owners of the real property or, in certain  
14 cases, on businesses of a particular class, located within the  
15 geographical area of the district to finance the supplemental  
16 services described in the plan and that the special assessment  
17 is expected to produce revenue which is consistent with the  
18 annual budget adopted and approved as provided in this  
19 article.

20 "(5) The copies of the articles of incorporation and  
21 bylaws of the district management corporation shall satisfy  
22 the requirements of Section 11-54B-48.

23 "(6) It is in the best interest of the Class 2  
24 municipality and the public to designate the geographical area  
25 described in the plan as a self-help business improvement  
26 district and to designate a district management corporation to  
27 provide administrative and other services to the district.

1           "(7) The existing level of publicly funded services  
2 provided by the municipality in the geographical area of the  
3 proposed district has been documented in writing and certified  
4 by the mayor of the municipality.

5           "§11-54B-44.

6           "Requirements of a request for the creation of a  
7 self-help business improvement district.

8           "A request for the creation of a self-help business  
9 improvement district shall contain all of the following:

10           "(1) The signatures of a representative group of the  
11 owners of the nonexempt real property located within the  
12 geographical area of the proposed district. The group shall  
13 include the signatures of the owners of the nonexempt real  
14 property comprising at least 60 percent of the total fair  
15 market value of all nonexempt real property located in the  
16 proposed district and the signature of an owner of at least 50  
17 percent of the parcels of property located within the proposed  
18 district. The county property tax assessment records shall  
19 determine ownership of real property and the fair market  
20 value. When record title to real property is vested in a  
21 public corporation or authority under a bond financing plan  
22 provided for by statute, the beneficial user of the real  
23 property in which title may ultimately be vested by purchase  
24 shall be deemed the owner of the real property.

25           "(2) Alternatively, in the case of a district formed  
26 to increase tourism within the municipality, the signatures of  
27 a representative group of the owners of the designated class



1 of businesses located within the geographical area of the  
2 proposed district. The request shall define the designated  
3 class of businesses. The group shall include the signatures of  
4 the owners of businesses comprising at least 60 percent of the  
5 proposed annual assessment and the signatures of the owners of  
6 at least 50 percent of the number of the businesses of the  
7 designated class located within the proposed district. The  
8 municipality's records shall determine ownership of  
9 businesses. If, however, the assessment methodology is based  
10 on a fixed rate per occupied room per night, the group shall  
11 include the signatures of the owners of businesses comprising  
12 at least 60 percent of the number of rooms within the district  
13 and the signatures of the owners of at least 50 percent of the  
14 number of businesses of the designated class located within  
15 the proposed district.

16 ~~"(2)~~ (3) An accurate description, whether by metes  
17 and bounds, or by lot and block numbers, or by street  
18 addresses, of the proposed district.

19 ~~"(3)~~ (4) A self-help business improvement district  
20 plan that shall include all of the following:

21 "a. A description of the supplemental services to be  
22 provided in the district.

23 "b. A budget outlining the annual cost of the  
24 supplemental services described in paragraph a.

25 "c. A description of the method which will be used  
26 to determine the amount of the special assessment to be levied  
27 on the owners of the real property or, in the case of a

1 district formed to increase tourism within the municipality,  
2 on businesses of a designated class, in either case located  
3 within the geographical area of the district to finance the  
4 supplemental services described in paragraph a. If the  
5 district is formed to increase tourism within the  
6 municipality, special assessments may be levied based on the  
7 business activity, including, but not limited to, a percentage  
8 of gross revenue or a fixed rate per occupied room per night  
9 on parcels of property or on businesses of a designated class  
10 within the district. If the assessment is levied on businesses  
11 of a designated class, all other provisions of this article  
12 referring to property assessment shall also include  
13 assessments against the businesses.

14 "d. The number of years, not to exceed five years,  
15 that the special assessments described in paragraph c. will be  
16 levied.

17 "e. Copies of the articles of incorporation and  
18 bylaws of the district management corporation designated by  
19 the plan to provide the administrative and other services to  
20 the district.

21 "§11-54B-45.

22 "Mailing of proposed ordinance and notice of  
23 hearing.

24 "At least 20 days prior to the date set for a public  
25 hearing on the proposed self-help business improvement  
26 district plan, notice of the date, time, and place of the  
27 hearing, with a description of the geographical area proposed

1 to be included in the district, the proposed ordinance, and  
2 the self-help business district plan shall be mailed to all  
3 known owners of nonexempt real property located within the  
4 geographical area proposed to be included in the district by  
5 the municipality. The notice shall be mailed to all known  
6 owners of nonexempt real property at the address listed in the  
7 county property tax assessment records. In addition, a copy of  
8 the notice shall be posted in at least three places located  
9 within the geographical area proposed to be included in the  
10 district. A property owner's failure to receive a copy of the  
11 notice shall not constitute grounds to contest the validity of  
12 a self-help business improvement district established by  
13 ordinance.

14 "Alternatively, in the case of a district formed to  
15 increase tourism within the municipality, the notices required  
16 shall be mailed to the owners of the businesses of the  
17 designated class, but the failure of a business owner or  
18 business to receive a copy of the notice shall not constitute  
19 grounds to contest the validity of a self-help business  
20 improvement district established by ordinance.

21 "§11-54B-46.

22 "Review of self-help business improvement district  
23 plan and adoption of ordinance.

24 "The governing body of the municipality, upon review  
25 of the self-help business improvement district plan and after  
26 public hearing, may adopt an ordinance to designate,  
27 establish, and maintain the area described in the plan as a

1 self-help business improvement district. The ordinance shall  
2 provide for an effective date of 30 days from the date of  
3 adoption of the ordinance by the governing body of the  
4 municipality and shall provide that, if the owners of  
5 nonexempt real property representing 60 percent of the total  
6 fair market value of all real property located within the  
7 district, or the owners of at least 50 percent of the parcels  
8 of property located within the district;7; or, alternatively  
9 with respect to a district funded by assessments against a  
10 particular class of businesses, if the owners of businesses,  
11 consistent with the signatures required under subdivision (2)  
12 of Section 11-54B-44, file written objections to the  
13 establishment of the district with the clerk of the  
14 municipality, the provisions of the ordinance shall be null  
15 and void and no district shall be created. The ordinance shall  
16 designate the district management corporation provided for in  
17 the plan as the district management corporation authorized to  
18 provide administrative and other services to the district and  
19 authorize the execution of a contract between the municipality  
20 and the district management corporation setting out the  
21 services to be provided by the district and the municipality.  
22 The contract shall provide that the municipality shall  
23 continue the same level of services in the district as  
24 provided prior to the creation thereof.

25 "§11-54B-47.

26 "Costs of supplemental services.

1           "(a) The self-help business improvement district  
2 ordinance adopted by the municipality pursuant to Section  
3 11-54B-46 shall provide that all costs of the supplemental  
4 services provided in a self-help business improvement district  
5 shall be financed through the levy by the municipality of a  
6 special assessment on the owners of the ~~nonexempt~~ real  
7 property located within the geographical area of the district  
8 and or, in the case of a district formed to increase tourism  
9 in the municipality, on businesses of the designated class  
10 within the geographical area of the district, and in either  
11 case shall designate the method set forth in the plan as the  
12 method used to determine the amount of the special assessment  
13 in a manner which fairly and equitably distributes the burden  
14 of financing the supplemental services among the nonexempt  
15 real property owners in the district. The ordinance shall list  
16 and describe, by lot and block numbers and by street  
17 addresses, all real properties or businesses against which the  
18 special assessment shall be made to fund the supplemental  
19 services. The ordinance shall also provide that property which  
20 is a single-family, owner-occupied residential property shall  
21 be exempt from the special assessment imposed by the district  
22 management corporation to finance the supplemental services  
23 provided in the business improvement district. Further, all  
24 property of utilities shall be deemed personal property exempt  
25 from the special assessment imposed by the district management  
26 corporation except for land and retail, storage, and office

1 facilities owned by a utility within the business improvement  
2 district.

3 "(b) The nonprofit corporation designated as a  
4 district management corporation under this article shall be  
5 exempt from the state corporate income tax, corporate  
6 franchise tax, and permit fee, and from state, county, and  
7 municipal sales, use, license, gross receipts, and ad valorem  
8 taxes.

9 "§11-54B-48.

10 "Collection of special assessment.

11 (a) The self-help business improvement district  
12 ordinance adopted by the municipality pursuant to Section  
13 11-54B-46 shall provide that the special assessment levied on  
14 the owners of the ~~nonexempt~~ real property located within the  
15 geographical area of the district shall be collected by the  
16 district management corporation, by the offices of the  
17 municipal revenue department, or by the offices of the revenue  
18 commissioner, who may be compensated for the service. ~~The~~  
19 Except in the case of an assessment against a designated class  
20 of business, the ordinance shall also provide that the amount  
21 of any outstanding special assessment levied on a parcel of  
22 real property, together with any accrued interest and  
23 penalties, shall constitute a lien on the property. The lien  
24 shall take precedence over all other liens, whether created  
25 prior or subsequent to the date of the special assessment,  
26 except a lien for any of the following:

27 (1) State, county, or municipal taxes.

1 (2) A prior special assessment.

2 (3) A prior recorded mortgage, deed of trust, or  
3 similar security instrument.

4 (b) Other than foreclosures for state, county, or  
5 municipal taxes, a prior special assessment, or a prior  
6 recorded mortgage, deed of trust, or similar security  
7 instrument, the lien for the special assessment shall not be  
8 defeated or postponed by any private or judicial sale, or by  
9 any mortgage, deed of trust, or similar security instrument  
10 recorded subsequent to the date of final adoption by the  
11 municipality of the self-help business improvement district  
12 ordinance. No error in the proceeding of the governing body of  
13 the municipality or of the board of directors of the district  
14 management corporation shall exempt any real property from the  
15 lien or from payment thereof.

16 "§11-54B-49.

17 "Amendment of the self-help business improvement  
18 district ordinance.

19 "(a) The governing body of the A municipality may  
20 amend an ordinance relating to the self-help business  
21 improvement district upon the written request of a  
22 representative group of the owners of the nonexempt real  
23 property located within the geographical area of the district.  
24 The request shall specify the ~~content of the~~ desired amendment  
25 or amendments which should be made by the governing body of  
26 the municipality to the self-help business improvement  
27 district ordinance. The request shall also include the

1 signatures of the owners of the nonexempt real property  
2 comprising at least 60 percent of the total fair market value  
3 of all real property located in the district, or the owners of  
4 at least 50 percent of the parcels of property located within  
5 the district; or, alternatively with respect to a district  
6 funded by assessments against a particular class of  
7 businesses, the signatures of the owners of businesses,  
8 consistent with the signatures required under subdivision (2)  
9 of Section 11-54B-44, determined pursuant to ~~subdivision~~  
10 subdivisions (1) and (2) of Section 11-54B-44.

11 "(b) Except for districts funded by assessments  
12 against businesses of a particular class, the governing body  
13 of the municipality may amend the self-help business  
14 improvement district ordinance to reduce or expand the real  
15 property comprising the self-help business improvement  
16 district in accordance with this subsection as follows:

17 "(1) The ordinance may be amended to reduce the real  
18 property comprising the district following the submission of a  
19 request for reduction by the board of directors of the  
20 district management corporation.

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

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



1           "b. The board of directors of the district  
2 management corporation.

3           "(3) Where a request for expansion is sought under  
4 this subsection, the request shall contain the signatures of  
5 the owners of nonexempt real property comprising at least 60  
6 percent of the total fair market value of all nonexempt real  
7 property located in the geographical area to be added to the  
8 district and the signatures of the owners of at least 50  
9 percent of the parcels of property located in the geographical  
10 area to be added to the district. Ownership of real property  
11 and the fair market value thereof shall be determined using  
12 the records of the tax assessor. When record title to real  
13 property is vested in a public corporation or authority under  
14 a bond financing plan provided for by statute, the beneficial  
15 user of the real property in which title may ultimately be  
16 vested by purchase shall be deemed the owner of the real  
17 property.

18           "(4) A request for expansion or reduction shall  
19 include an accurate description, whether by metes and bounds,  
20 by lot and block numbers, or by street addresses, of the  
21 geographical area which is the subject of the reduction or  
22 expansion, as well as a similar description of the resulting  
23 district if such reduction or expansion was approved.

24           "(5) At least 20 days prior to the date set for a  
25 public hearing on the proposed self-help business improvement  
26 district reduction or expansion, notice of the date, time, and  
27 place of the hearing, together with a description of the

1 geographical area which is the subject of the reduction or  
2 expansion, shall be mailed to all known owners of nonexempt  
3 real property located within the geographical area which is  
4 the subject of the reduction or expansion, as ownership shown  
5 on the records of the tax assessor. In addition, a copy of the  
6 notice shall be posted in at least three places located within  
7 the geographical area which is the subject of the reduction or  
8 expansion. A property owner's failure to receive a copy of the  
9 notice shall not constitute grounds upon which the owner may  
10 contest the validity of a self-help business improvement  
11 district amendment.

12 "(6) The municipality, upon review of the request  
13 for the reduction or expansion of the self-help business  
14 improvement district and after public hearing, may adopt an  
15 ordinance reducing or expanding the self-help business  
16 improvement district. The ordinance shall provide for an  
17 effective date which is 60 days from the date of adoption of  
18 the ordinance by the municipality and shall provide that, if  
19 the owners of real property which represent 50 percent or more  
20 by number of all parcels of real property located within the  
21 geographical area of the resulting district file written  
22 objections to the establishment of the district with the clerk  
23 of the municipality, the provisions of such ordinance shall be  
24 null and void and no reduction or expansion shall occur. The  
25 ordinance shall provide that the contract between the  
26 municipality and the district management corporation setting  
27 out the services to be provided by the district and the

1 municipality shall be amended to provide that the same level  
2 of services provided by the municipality shall continue as  
3 before the reduction or expansion of the real property  
4 comprising the self-help business improvement district.

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

8 "§11-54B-50.

9 "District management corporation limits, powers, and  
10 duties.

11 "(a) District management corporations provided for  
12 in this article shall be incorporated under the Alabama  
13 Nonprofit Corporation Act, Chapter 3A of Title 10, and shall  
14 exercise their powers in a manner consistent with that law.

15 "(b) To qualify for designation by ordinance to  
16 manage a self-help business improvement district, the articles  
17 of incorporation of a proposed district management corporation  
18 shall provide all of the following:

19 "(1) That a board of directors shall manage the  
20 property, business, and affairs of the corporation.

21 "(2) The names and addresses of the initial members  
22 of the board of directors.

23 "(3) That the initial members of the board shall be  
24 divided into three groups which are as equal in number as is  
25 possible, that those groups will serve for initial terms of  
26 one, two, and three years respectively, and that all directors

1 thereafter elected by the board of directors shall serve for a  
2 term of three years.

3 "(4) That the members of the board of directors  
4 elected after the expiration of the initial terms set forth in  
5 subdivision (3) shall be elected by a majority vote of the  
6 owners of assessed real property or, in the case of districts  
7 funded by assessments against a particular class of  
8 businesses, of businesses of the designated class and dues  
9 paying members present after notice by first class mail.

10 "(5) That a majority of the board of directors own  
11 real property or, in the case of districts funded by  
12 assessments against a particular class of businesses, of  
13 businesses of the designated class located in the geographical  
14 area of the district.

15 "(6) That no funds received by the corporation from  
16 assessments on the property or businesses located in the  
17 district shall be expended except in accordance with the  
18 budget adopted or amended under the provisions of this  
19 article.

20 "(7) That vacancies on the board of directors  
21 resulting from death, resignation, or removal, shall be filled  
22 by the remaining members of the board of directors of the  
23 district management corporation for the unexpired portion of  
24 the term.

25 "(8) That at least once a year after designation,  
26 the corporation shall hold a general membership and public  
27 meeting appropriately advertised in the district at a place

1 convenient to persons concerned with the operation of the  
2 district.

3 "(9) That the corporation shall receive written  
4 suggestions from businesses in the district at any time.

5 "(10) That municipal representatives designated by  
6 the mayor and by the governing body of the municipality shall  
7 be authorized to attend and participate in regular and called  
8 meetings of the board of directors of the district management  
9 corporation, but shall not vote on any matters considered by  
10 directors.

11 "(11) That no amendment to the articles of  
12 incorporation or any bylaws shall be effective unless approved  
13 by the board of directors of the district management  
14 corporation.

15 "(12) That a director shall receive no compensation  
16 for his or her service as a director, but shall be entitled to  
17 receive reimbursement for expenses actually incurred in the  
18 performance of his or her duties as approved by the board.

19 "(13) That upon dissolution, or upon any withdrawal  
20 of the designation as the district management corporation, all  
21 interests in and title to funds held by or for the  
22 corporation, and all property of the corporation shall be  
23 transferred and assigned to a successor district management  
24 corporation, or if no successor district management  
25 corporation exists, to the general fund of the municipality  
26 for use in funding the programs as the board of directors of

1 the district management corporation shall direct and  
2 designate.

3 "(c) The district management corporation may do all  
4 things necessary to implement its purposes, including, but not  
5 limited to, the following:

6 "(1) Adopt bylaws for the regulation of its affairs  
7 and the conduct of its business and to prescribe rules,  
8 regulations, and policies in connection with the performance  
9 of its functions and duties.

10 "(2) Employ persons as may be required, and fix and  
11 pay their compensation from funds available to the  
12 corporation.

13 "(3) Apply for, accept, administer, and comply with  
14 the requirements respecting an appropriation of funds or a  
15 gift, grant, or donation of property or money.

16 "(4) Make and execute agreements as may be necessary  
17 or convenient to the exercise of the powers and functions of  
18 the corporation, including contracts with any person, firm,  
19 corporation, governmental agency, or other entity.

20 "(5) Administer and manage corporate funds and  
21 accounts and pay corporate obligations.

22 "(6) Borrow money from private lenders or from  
23 governmental entities.

24 "(7) Enforce the conditions of any loan, grant,  
25 sale, or lease made by the corporation.

1           "(8) Provide security, sanitation, and other  
2 services to the district supplemental to those provided by the  
3 municipality.

4           "(9) Advertise the district and businesses included  
5 within the district.

6           "(10) Recruit new businesses to fill vacancies in  
7 the district.

8           "(11) Organize and promote special events in the  
9 district.

10          "(12) Provide special parking arrangements or  
11 management of ongoing parking programs for the district.

12          "(13) Participate in other governmental programs for  
13 which qualified and included in its approval plan.

14          "(14) Undertake other activities or initiatives  
15 within the district as the board of directors of the district  
16 management corporation deem appropriate.

17          "§11-54B-57.

18          "Annual reports and audits.

19          "(a) Within 90 days after the close of each fiscal  
20 year, the district management corporation shall make an annual  
21 report of its activities for the preceding fiscal year to the  
22 governing body of the municipality.

23          "(1) Each annual report shall include, at a minimum:

24          "a. A financial statement for the preceding year,  
25 including a balance sheet, statement of income and loss, and  
26 such other information as is reasonably necessary to reflect

1 the district management corporation's actual performance,  
2 certified by the treasurer of the corporation.

3 "b. The budget for the current fiscal year.

4 "c. In the case of a district funded by assessments  
5 against businesses of a particular class, a list of the  
6 businesses of the designated class that are currently  
7 operating within the district.

8 "(2) A copy of each annual report shall be sent to  
9 the mayor, the city council, and to all property owners, or in  
10 the case of districts funded by assessments against businesses  
11 of a particular class, business owners of the self-help  
12 business improvement district, in each case by first class  
13 mail or by personal delivery.

14 "(b) Within 90 days after the close of each fiscal  
15 year, the district management corporation shall cause an  
16 annual audit of its books, accounts, and financial  
17 transactions to be made and filed with the municipality and  
18 for that purpose the corporation shall employ a certified  
19 public accountant. The annual audit shall be completed and  
20 filed with the governing body within four months after the  
21 close of the fiscal year of the corporation and a certified  
22 duplicate copy of the audit shall be filed with the mayor and  
23 the finance director or other financial control officer of the  
24 municipality.

25 "§11-54B-58.

26 "Sunset provision.



1           "(a) Within 90 days after the adoption and approval  
2 of the fifth annual budget for any self-help business  
3 improvement district, the municipality shall set a hearing to  
4 determine whether the district should be continued, modified,  
5 or terminated. At least 20 days before the hearing, notice of  
6 the date, place, and time of the hearing shall be posted in at  
7 least three places within the district and mailed, along with  
8 the new district management plan, which shall contain the  
9 items described in subdivision (3) of Section 11-54B-44, to  
10 each real property or business owner who paid assessments to  
11 the district during the previous year as certified by an  
12 officer of the district management corporation collecting such  
13 assessments, the officers of the municipal revenue department,  
14 or the offices of county tax assessor and county tax  
15 collector, if they are the billing and collecting agency.

16           "(b) At this hearing, if a petition presented to the  
17 municipality objecting to the continuation of the district is  
18 signed by non-exempt real property owners representing 60  
19 percent of the total fair market value of all real property  
20 located within the district and the owners of at least 50 per  
21 cent of the parcels of real property located within the  
22 district~~7~~; or, alternatively with respect to a district funded  
23 by assessments against businesses of a particular class,  
24 signed by owners of businesses consistent with the signatures  
25 required under subdivision (2) of Section 11-54B-44, the  
26 district shall be terminated as of the end of the fiscal year  
27 next following the hearing."

1                   Section 3. All laws or parts of laws which conflict  
2 with this act are repealed.

3                   Section 4. This act shall become effective  
4 immediately following its passage and approval by the  
5 Governor, or its otherwise becoming law.