

SB166 ENGROSSED



1 RBD1YN-2
2 By Senator Givhan
3 RFD: Fiscal Responsibility and Economic Development
4 First Read: 04-Apr-23
5
6 2023 Regular Session



SB166 Engrossed

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A BILL
TO BE ENTITLED
AN ACT

Relating to municipalities; to add a new Article 3, commencing with Section 11-54B-80 to Title 11, Chapter 54B, Code of Alabama 1975, to provide that Class 3 municipalities may establish self-help business improvement districts.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. A new Article 3, commencing with Section 11-54B-80, is added to Title 11, Chapter 54B of the Code of Alabama 1975 to read as follows:

Article 3

§11-54B-80

(a) The Legislature makes the following findings:

(1) Patterns of urban development have had substantial adverse impacts upon downtown and community business districts vital to the economy of the State of Alabama.

(2) The public interest would be advanced by authorizing the creation of self-help business improvement districts and district management corporations to assist any Class 3 municipality in promoting economic growth in business districts.

(3) The public interest would also be advanced by



SB166 Engrossed

29 authorizing the creation of self-help business improvement
30 districts to assist any Class 3 municipality to increase
31 tourism with the support of businesses of a particular class.

32 (4) A district management corporation representing real
33 property owners, or in certain cases, owners of a particular
34 class of business, within self-help business improvement
35 districts can assist any Class 3 municipality in promoting
36 economic growth and employment or tourism by funding
37 supplemental business services through the levy of assessments
38 on real property owners or owners of a particular class of
39 business.

40 (5) Any Class 3 municipality should be authorized to
41 create self-help business improvement districts and designate
42 a district management corporation to execute self-help
43 programs to improve the local business or tourism climate.

44 (b) The Legislature further finds that it is the public
45 policy of the State of Alabama to permit any Class 3
46 municipality to protect the public welfare and the interests
47 of the public in the safe effective movement of persons, to
48 encourage healthy economic development and tourism, to promote
49 jobs, and to preserve and enhance the function and appearance
50 of business districts located within any Class 3 municipality
51 through the adoption of ordinances as authorized by this
52 article.

53 §11-54B-81

54 As used in this article, the following words and
55 phrases have the following meanings:

56 (1) AREA. In the case of a self-help business



SB166 Engrossed

57 improvement district formed to promote economic growth, the
58 geographical area or areas comprising the parcels of real
59 property designated to be located within the district,
60 regardless of whether the individual parcels are subject to
61 the special assessment.

62 (2) DISTRICT MANAGEMENT CORPORATION. An entity created
63 by incorporation under the Alabama Nonprofit Corporation Act,
64 Chapter 3 of Title 10A, and designated by ordinance by the
65 municipality to administer and provide services to a self-help
66 business improvement district.

67 (3) DISTRICT MEMBER. In the case of a self-help
68 business improvement district established to promote economic
69 growth, an owner of real property who is to benefit from and
70 pay the special assessment to fund supplemental services or,
71 in the case of a self-help business improvement district
72 established to increase tourism, an owner or operator of a
73 business in a particular class who is to benefit from and pay
74 the special assessment to fund supplemental services.

75 (4) MUNICIPALITY. Any Class 3 municipality as defined
76 in Section 11-40-12.

77 (5) OWNER OF REAL PROPERTY. In the case of a self-help
78 business improvement district to promote economic growth, an
79 owner of any parcel of real property who is to benefit from
80 and pay the special assessment under the self-help business
81 improvement plan.

82 (6) SELF-HELP BUSINESS IMPROVEMENT DISTRICT or
83 DISTRICT. An area within the municipality designated by
84 ordinance in which a special assessment may be levied on the



SB166 Engrossed

85 owners of real property located within the area to provide
86 supplemental services in order to promote the economic growth
87 of the district or, alternatively, an area or areas designated
88 by ordinance in which a special assessment may be levied on
89 businesses of a particular class located within the area or
90 areas to provide supplemental services in order to increase
91 tourism in the municipality.

92 §11-54B-82

93 A municipality, by ordinance, may provide for the
94 creation and maintenance of one or more self-help business
95 improvement districts pursuant to this article. This article
96 is intended as the exclusive procedure by which a Class 3
97 municipality may create and maintain a self-help business
98 improvement district.

99 §11-54B-83

100 A public hearing on the adoption of an ordinance
101 creating a self-help business improvement district may be
102 called only if the governing body of a municipality finds all
103 of the following:

104 (1) That a request for the creation of a self-help
105 business improvement district which satisfies the requirements
106 of Section 11-54B-84 has been filed with the clerk of the
107 municipality.

108 (2) That the area described in the self-help business
109 improvement plan would benefit from being designated as a
110 self-help business improvement district.

111 (3) That the self-help business improvement district
112 plan includes a designated district management corporation to



SB166 Engrossed

113 provide administrative and other services to benefit
114 businesses, properties, employees, residents, and consumers in
115 the self-help business improvement district.

116 (4) That the self-help business improvement district
117 plan includes a special assessment that will be levied by the
118 municipality on the district members to finance the
119 supplemental services described in the plan, and that the
120 assessment is expected to produce revenue that is consistent
121 with the annual budget adopted and approved as provided in
122 this article.

123 (5) That the copies of the articles of incorporation
124 and bylaws of the district management corporation satisfy the
125 requirements of Section 11-54B-89.

126 (6) That it is in the best interest of the municipality
127 and the public to designate the area described in the plan as
128 a self-help business improvement district.

129 (7) That the existing level of publicly funded services
130 provided by the municipality in the geographical area of the
131 proposed district has been documented in writing and certified
132 by the mayor of the municipality.

133 §11-54B-84

134 A request for the creation of a self-help business
135 improvement district shall contain all of the following:

136 (1) In the case of a district formed to promote
137 economic growth within the municipality, the signatures of the
138 owners of real property comprising at least 60 percent of the
139 total fair market value of all real property located within
140 the proposed district and the signatures of owners owning at



SB166 Engrossed

141 least 50 percent of parcels of real property within the
142 proposed district or, in the case of a district formed to
143 increase tourism, the signatures of the owners or operators of
144 the businesses in a particular class who would pay at least 60
145 percent of the total amount of the self-help improvement
146 district special assessment to be levied and the signatures of
147 the owners of at least 50 percent of the number of the
148 businesses in a particular class located within the proposed
149 district, in accordance with the following requirements:

150 a. There shall be no requirement that the real property
151 or the businesses in a particular class located within the
152 area of a district be contiguous, as long as there is an
153 accurate description of the proposed district, whether by lot
154 and block numbers, by street addresses, or by metes and
155 bounds.

156 b. The county property tax records of the assessor or
157 revenue commissioner shall determine ownership of real
158 property and the fair market value for a district proposed to
159 promote economic development.

160 c. When record title to real property is vested in a
161 public corporation or authority under a bond financing plan
162 provided for by law, the beneficial user of the real property
163 in which title may ultimately be vested by purchase shall be
164 deemed to be the owner of the real property for a district
165 proposed to promote economic development.

166 d. In the case of a district formed to increase
167 tourism, the municipality's records shall determine the
168 ownership of the businesses in a particular class.



SB166 Engrossed

169 (2) Copies of the self-help business improvement
170 district plan, which shall include all of the following:

171 a. A description of the supplemental services to be
172 provided to the district members with an explanation of how
173 the services promote economic development or increase tourism.

174 b. A budget outlining the annual cost of the
175 supplemental services described in paragraph a.

176 c. A description of the method that will be used to
177 determine the amount of the special assessment to be levied on
178 the district members to finance the supplemental services
179 described in paragraph a., including all of the following:

180 1. A description of how the methodology equitably
181 apportions the burden of the special assessment among the
182 district members.

183 2. In the case of a district to promote economic
184 growth, a list, by lot and block numbers or by street
185 addresses, of all real properties whose owners will benefit
186 from and pay the special assessment, including all of the
187 following:

188 (i) A clear presentation of any different classes of
189 real property to be levied at different rates based on the
190 fair market value or land use as reflected in the county tax
191 records of the assessor or revenue commissioner, or based on
192 another methodology.

193 (ii) Any exemptions from, or reductions to, the special
194 assessment based on the benefit to the district member.

195 d. The number of years, not to exceed five years, that
196 the special assessment described in paragraph c. shall be



SB166 Engrossed

197 levied.

198 e. Copies of the articles of incorporation and bylaws
199 of the district management corporation designated by the plan
200 to provide the administrative and other services to the
201 district.

202 §11-54B-85

203 (a) (1) At least 20 days prior to the date set for a
204 public hearing on the proposed self-help business improvement
205 district plan, notice of the date, time, and place of the
206 hearing, with a description of the area proposed to be
207 included in the district, the proposed ordinance, and the
208 self-help business improvement district plan shall be mailed
209 to all prospective district members.

210 (2) In the case of a proposed district to promote
211 economic growth, the notice shall be mailed to all known
212 owners of real property at the address listed in the county
213 property tax records of the assessor or the revenue
214 commissioner.

215 (3) In the case of a proposed district to increase
216 tourism, the notices shall be mailed to the owners of the
217 businesses in the particular class that is to comprise the
218 district.

219 (b) A copy of the notice shall be posted in at least
220 three places located within the area proposed to be included
221 in the district and on the municipality's website.

222 (c) An owner of real property or a business owner in
223 the particular class may not contest the validity of a
224 self-help business improvement district established by



SB166 Engrossed

225 ordinance on the grounds that he or she did not receive a copy
226 of the notice.

227 §11-54B-86

228 (a) The governing body of the municipality, upon review
229 of the self-help business improvement district plan and after
230 public hearing, by ordinance, may designate, establish, and
231 maintain the area described in the plan as a self-help
232 business improvement district.

233 (b) The ordinance shall include all of the following:

234 (1) A statement that the district shall take effect 30
235 days after the date of adoption of the ordinance.

236 (2) A statement that the district management
237 corporation provided for in the plan shall provide
238 administrative and other services to the district.

239 (3) A statement that the municipality and the district
240 management corporation are authorized to enter a contract
241 setting out the services to be respectively provided by the
242 district and the municipality, and providing that the
243 municipality shall continue the same level of services in the
244 district as provided before its creation.

245 (4) In the case of a district formed to promote
246 economic development, a list of all real properties by street
247 addresses which shall benefit from and pay the special
248 assessment, accompanied with a map of the district area or, in
249 the case of a district formed to increase tourism, a list of
250 all businesses in a particular class by street address which
251 shall benefit from and pay the special assessment.

252 (5) A summary of the proposed supplemental services to



SB166 Engrossed

253 promote economic growth or increase tourism, which shall be
254 funded by a levy of a special assessment on the district
255 members.

256 (6) An adequate description of the method used to
257 determine the special assessment, including different
258 assessment rates if applicable, and how the burden of the
259 special assessment is equitably apportioned among district
260 members.

261 §11-54B-87

262 (a) The special assessment to be levied in order to
263 fund supplemental services in the self-help business
264 improvement district shall be collected by the district
265 management corporation or the municipal revenue department.

266 (b) The ordinance adopted by the governing body of the
267 municipality establishing the district shall include, in
268 addition to the requirements of 11-54B-86, a notice that
269 contains both of the following:

270 (1) A statement that the amount of any delinquent
271 special assessment levied on a district member, together with
272 any accrued interest and penalties, shall be a lien on the
273 real property or business in a particular class with priority
274 over all other liens, whether created before or after the date
275 of the special assessment, except a lien for any of the
276 following:

277 a. State, county, or municipal taxes.

278 b. A prior special assessment.

279 c. A prior recorded mortgage, deed of trust, or similar
280 security instrument.



SB166 Engrossed

281 (2) A statement that except for foreclosures for state,
282 county, or municipal taxes, a prior special assessment, or a
283 prior recorded mortgage, deed of trust, or similar security
284 instrument, the lien for the special assessment shall not be
285 defeated or postponed by any private or judicial sale, or by
286 any mortgage, deed of trust, or similar security instrument
287 recorded after the date of final adoption by the municipality
288 of the self-help business improvement district ordinance.

289 (c) Any defect in the proceeding of the governing body
290 of the municipality or of the board of directors of the
291 district management corporation shall not exempt any owner of
292 real property or business in the particular class from the
293 lien or from payment thereof.

294 §11-54B-88

295 (a) The board of directors of the district management
296 corporation may adopt a resolution recommending to the
297 governing body of the municipality a modification of the
298 district plan at a regular board meeting by one of the
299 following methods:

300 (1) By agreement of the board of directors.

301 (2) Upon written request made to the board of directors
302 by, in the case of a district formed to promote economic
303 growth, the signatures of owners of real property consistent
304 with the signatures required under Section 11-54B-84(1) or, in
305 the case of a district formed to increase tourism, the
306 signatures of owners of businesses in a particular class
307 required under Section 11-54B-84(1).

308 (b) The resolution of the board of directors of the



SB166 Engrossed

309 district management corporation pursuant to subsection (a)
310 shall include a request to the governing body of the
311 municipality to approve the proposed modification to the
312 district plan and shall be transmitted to the governing body
313 for consideration at a public hearing.

314 (c) (1) At least 20 days prior to the date set for a
315 public hearing on the proposed modification of the self-help
316 business improvement district ordinance, notice of the date,
317 time, and place of the hearing shall be mailed to all district
318 members.

319 (2) A copy of the notice shall be posted in at least
320 three public places located within the district and on the
321 websites of the municipality and the district.

322 (3) At the hearing, the municipality may approve the
323 proposed modification to the district plan by adopting an
324 ordinance reflecting the modification if the governing body
325 finds that it is consistent with Section 11-54B-83.

326 (4) A district member may not contest the validity of
327 the modification of the district plan established by ordinance
328 on the grounds that he or she did not receive a copy of the
329 hearing notice.

330 (d) (1) The governing body of the municipality may
331 modify the ordinance approving the district in the case of a
332 district formed to promote economic growth, to either enlarge
333 or reduce the area of the district following submission of a
334 resolution by the board of directors requesting the
335 enlargement or reduction of the district.

336 (2)a. Where a request for expansion is sought under



SB166 Engrossed

337 this subsection, the request shall contain the signatures of
338 the owners of real property located in the area to be added to
339 the district consistent with the signatures required under
340 Section 11-54B-84(1).

341 b. The county property tax records of the assessor or
342 the revenue commissioner shall determine ownership of the
343 property and the fair market value.

344 c. When record title to real property is vested in a
345 public corporation or authority under a bond financing plan
346 provided for by law, the beneficial user of the real property
347 in which title may ultimately be vested by purchase shall be
348 deemed to be the owner of the real property.

349 (3) A resolution by the board of directors requesting
350 expansion or reduction of the district area shall include an
351 accurate description of the area that is the subject of the
352 expansion or reduction, whether by metes and bounds, by lot
353 and block numbers, or by street addresses, with the district
354 plan as modified, and accompanied with a map of the resulting
355 district if the expansion or reduction is approved.

356 (4)a. At least 20 days prior to the date set for a
357 public hearing on the proposed expansion or reduction, notice
358 of the date, time, and place of the hearing, together with a
359 description of the area which is the subject of the expansion
360 or reduction, shall be mailed to all owners of real property
361 located within the area who are the subject of the reduction
362 or all prospective owners of real property in the area who are
363 the subject of the expansion at the address listed in the
364 county property tax assessment records.



SB166 Engrossed

365 b. A copy of the notice shall be posted in at least
366 three public places located within the area that is the
367 subject of the reduction or expansion and on the websites of
368 the municipality and the district.

369 c. An owner of real property may not contest the
370 validity of the reduction or expansion of the district on the
371 grounds that he or she did not received a copy of the notice.

372 (5) The municipality, upon review of the request for
373 the expansion or reduction of the self-help business
374 improvement district and after public hearing, by ordinance,
375 may expand or reduce the self-help business improvement
376 district as modified which shall include all of the following:

377 a. An effective date that is 30 days after the date of
378 adoption of the ordinance by the municipality.

379 b. Provide that the modification in the district area
380 is consistent with 11-54B-83.

381 c. Provide that the contract between the municipality
382 and the district management corporation setting out the
383 services to be respectively provided by the district and the
384 municipality shall be amended to provide that the same level
385 of services provided by the municipality shall continue as
386 before the expansion or reduction of the area comprising the
387 self-help business improvement district.

388 §11-54B-89

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



SB166 Engrossed

393 (b) To qualify for designation by ordinance to manage a
394 self-help business improvement district, the articles of
395 incorporation of a proposed district management corporation
396 shall provide all of the following:

397 (1) A board of directors, numbering no fewer than three
398 and no more than 13, shall manage the property, business, and
399 affairs of the corporation.

400 (2) The names and addresses of the initial members of
401 the board of directors.

402 (3) The initial members of the board shall be divided
403 into three groups that are as equal in number as is possible,
404 with those groups serving initial terms of one, two, and three
405 years respectively, and all directors thereafter elected
406 serving for a term of three years, provided that the district
407 is renewed pursuant to Section 11-54B-97.

408 (4) The members of the board of directors elected after
409 the expiration of the initial terms set forth in subdivision
410 (3) shall be elected by a majority vote of the district
411 members after notice by first class mail.

412 (5) A majority of the board of directors shall be
413 district members.

414 (6) Bylaws shall be adopted providing for officers of
415 the corporation consistent with Chapter 3 of Title 10A,
416 including their qualifications, appointment, and terms.

417 (7) No funds received by the corporation from
418 assessments on the district members shall be expended except
419 in accordance with the budget adopted or amended under the
420 provisions of this article.



SB166 Engrossed

421 (8) Vacancies on the board of directors resulting from
422 death, resignation, or removal shall be filled by the
423 remaining members of the board of directors for the unexpired
424 portion of the term.

425 (9) At least once a year after creation of the
426 district, the corporation shall hold a general membership and
427 public meeting appropriately advertised in at least three
428 public places within the district area and on the district's
429 website.

430 (10) The corporation shall receive written suggestions
431 from businesses in the district at any time.

432 (11) Municipal representatives designated by the mayor
433 and by the governing body of the municipality shall be
434 authorized to attend and participate in regular and called
435 meetings of the board of directors, but shall not vote on any
436 matters considered by directors.

437 (12) No amendment to the articles of incorporation or
438 any bylaws shall be effective unless approved by the board of
439 directors.

440 (13) A director shall receive no compensation for his
441 or her service as a director, but shall be entitled to receive
442 reimbursement for expenses actually incurred in the
443 performance of his or her duties as approved by the board.

444 (14) Upon dissolution, or upon any withdrawal of the
445 designation as the district management corporation, all
446 interests in and title to funds held by or for the
447 corporation, and all property of the corporation shall be
448 transferred and assigned to a successor district management



SB166 Engrossed

449 corporation, or if no successor district management
450 corporation exists, to the general fund of the municipality
451 for use in funding the programs as the board of directors of
452 the district management corporation shall direct and
453 designate.

454 (c) The district management corporation may do all
455 things necessary to implement its purposes, including, but not
456 limited to, the following:

457 (1) Adopt bylaws for the regulation of its affairs and
458 the conduct of its business and prescribe rules, regulations,
459 and policies in connection with the performance of its
460 functions and duties.

461 (2) Employ individuals as may be required and fix and
462 pay their compensation from funds available to the
463 corporation.

464 (3) Apply for, accept, administer, and comply with the
465 requirements respecting an appropriation of funds or a gift,
466 grant, or donation of property or money.

467 (4) Enter into contracts as may be necessary or
468 convenient to the exercise of the powers and functions of the
469 corporation, including contracts with any individual, firm,
470 corporation, governmental agency, or other entity.

471 (5) Administer and manage corporate funds and accounts
472 and pay corporate obligations.

473 (6) Borrow money from private lenders or from
474 governmental entities.

475 (7) Enforce the conditions of any loan, grant, sale, or
476 lease made by the corporation.



SB166 Engrossed

477 (8) Provide security, sanitation, and other services to
478 the district supplemental to those provided by the
479 municipality.

480 (9) Advertise the district and businesses included
481 within the district.

482 (10) Recruit new businesses to fill vacancies in the
483 district.

484 (11) Organize and promote special events in the
485 district.

486 (12) Provide special parking arrangements or manage
487 ongoing parking programs for the district.

488 (13) Participate in other governmental programs that
489 are qualified and included in its approval plan.

490 (14) Undertake other activities or initiatives within
491 the district as the board of directors of the district
492 management corporation deem appropriate.

493 (d) The nonprofit corporation designated as a district
494 management corporation under this article shall be exempt from
495 the state corporate income tax, corporate franchise tax, and
496 permit fee, and from state, county, and municipal sales, use,
497 license, gross receipts, and ad valorem taxes.

498 §11-54B-90

499 (a) The officers of the district management corporation
500 shall submit a detailed annual budget for approval by its
501 board of directors, including proposed expenditures and
502 proposed sources of funding, which may include voluntary
503 donations. The budget shall explain how it contributes to the
504 goals for the self-help business improvement district.



SB166 Engrossed

505 (b) The budget shall be introduced, approved, amended,
506 and adopted by resolution passed by not less than a majority
507 of the full membership of the board of directors by the
508 procedure as follows:

509 (1) Introduction and preliminary approval of the
510 budget.

511 (2) Public advertising of the budget.

512 (3) Public hearings relating to the budget.

513 (4) Amendments to the budget and public hearings
514 relating to those amendments.

515 (5) Adoption of the budget.

516 (c) No budget shall be adopted until a public hearing
517 has been held and all persons having an interest therein have
518 been given an opportunity to present objections.

519 (d) The board of directors may amend the budget during
520 or after the public hearing.

521 (e) No amendment to the budget by the board of
522 directors shall be effective until district members and all
523 persons having an interest therein have been granted a public
524 hearing, if the amendment does any of the following:

525 (1) Adds a new item in an amount in excess of 20
526 percent of the total expenditures as stated in the approved
527 budget.

528 (2) Increases or decreases any item within the budget
529 by more than 20 percent of the amount stated in the approved
530 budget for the item.

531 (3) Increases the amount needed to be raised by special
532 assessment by more than 20 percent of the total special



SB166 Engrossed

533 assessment revenues stated in the approved budget.

534 §11-54B-91

535 The municipality and its governing body shall retain
536 its police powers and other rights and powers relating to any
537 streets or parts thereof located within the area of a
538 self-help business improvement district.

539 §11-54B-92

540 No self-help business improvement district or district
541 management corporation shall have the power of eminent domain.

542 §11-54B-93

543 No structure, fixture, movable personal property, or
544 activity located in the area of the self-help business
545 improvement district and authorized by the district management
546 corporation, by reason of its location or use, shall be deemed
547 a nuisance or an unlawful obstruction or condition,
548 notwithstanding any law regulating the use of public streets
549 and highways, and neither the municipality, the corporation,
550 nor any user acting under the corporation's authority shall be
551 liable for any injury to person or property, unless the
552 structure, fixture, moveable personal property, or activity is
553 negligently constructed, maintained, or operated.

554 §11-54B-94

555 A municipality, by ordinance, may authorize the
556 district management corporation to contract construction and
557 maintenance work to be done on any street or on other
558 municipal property included in the self-help business
559 improvement district, provided that the plans and
560 specifications of any construction work to be contracted shall



SB166 Engrossed

561 be approved by the municipal engineer prior to initiation of
562 any actions for the awarding of a contract under this article.

563 §11-54B-95

564 This article shall not prohibit a municipality from
565 including a self-help business improvement district within the
566 bounds of any area, district, or zone, including any
567 enterprise zone established pursuant to law which has as one
568 of its purposes the encouragement of the construction of
569 improvements or the rehabilitation of properties located
570 within those boundaries, or the inducement of private
571 enterprises to locate within those boundaries, whether by tax
572 credits, exemptions, or abatements, or by special public
573 financing arrangements.

574 §11-54B-96

575 (a) Within 90 days after the close of each fiscal year,
576 the district management corporation shall make an annual
577 report of its activities for the preceding fiscal year to the
578 governing body of the municipality.

579 (1) Each annual report shall include, at a minimum, all
580 of the following:

581 a. A financial statement for the preceding year,
582 including a balance sheet, statement of income and loss, and
583 such other information as is reasonably necessary to reflect
584 the corporation's actual performance, certified by the
585 treasurer of the corporation.

586 b. The budget for the current fiscal year.

587 c. In the case of a district whose purpose is to
588 increase tourism, a list of the businesses in the designated



SB166 Engrossed

589 class that are currently operating within the district.

590 (2) A copy of each annual report shall be sent to the
591 mayor, the members of the governing body of the municipality,
592 and to all district members.

593 (b) (1) The district management corporation shall have
594 its books, accounts, and financial transactions annually
595 audited by a certified public accountant.

596 (2) The audit shall be performed within 90 days of the
597 close of each fiscal year.

598 (3) Certified copies of the audit report shall be filed
599 within 120 days after the close of the fiscal year with the
600 governing body of the municipality, the mayor, and the finance
601 director or other financial control officer of the
602 municipality.

603 §11-54B-97

604 (a) (1) The board of directors of the district
605 management corporation shall set a hearing when one of the
606 following occurs:

607 a. Within 60 days after the adoption and approval of
608 the fifth annual budget for the district, to determine
609 continuation, modification, or termination of the district.

610 b. Whenever a petition is presented to the board of
611 directors requesting termination of the district signed by
612 district members who paid more than 50 percent of the special
613 assessment in the last fiscal year for which the assessment
614 was collected.

615 (2) At least 20 days before the hearing, notice of the
616 date, time, and place of the hearing shall be posted in at



SB166 Engrossed

617 least three public places within the district, on the websites
618 of the municipality and the district, and mailed to each
619 district member.

620 (3) At or immediately after the hearing, the board of
621 directors shall adopt a resolution requesting the governing
622 body of the municipality to adopt an ordinance providing for
623 one of the following:

624 a. Continuation of the district as described in the
625 self-help business improvement plan for an additional five
626 years if the hearing was held pursuant to paragraph (a)(1)a.

627 b. Continuation of the district with modification for
628 an additional five years if the hearing was held pursuant to
629 paragraph (a)(1)a., as reflected by modifying the self-help
630 business improvement district plan consistent with Section
631 11-54B-88, including enlargement or reduction of the district.

632 c. Termination of the district if one of the following
633 occurs:

634 1. At a hearing held pursuant to paragraph (a)(1)a., it
635 is demonstrated that district members who paid more than 50
636 percent of the special assessment in the last fiscal year for
637 which the special assessment was collected object to the
638 continuation of the district.

639 2. At a hearing in response to a petition received
640 pursuant to paragraph (a)(1)b., at which no signatures are
641 withdrawn reducing support for termination of the district to
642 fewer than 50 percent of the district members who paid the
643 special assessment in the last fiscal year for which the
644 assessment was collected.



SB166 Engrossed

645 (b) The governing body of the municipality shall adopt
646 an ordinance ratifying the board of directors' resolution
647 pursuant to subdivision (a)(4), to take effect at the end of
648 the current fiscal year, to continue, modify, or terminate the
649 district.

650 (c) In the event of termination of the district, any
651 remaining revenues, after all outstanding debts are paid,
652 derived from the collection of the special assessment or
653 derived from the sale of district assets acquired with the
654 revenues shall be spent as near as possible in accordance with
655 the district plan or shall be refunded to district members who
656 paid the special assessment by applying the same method that
657 was used to calculate the assessment in the last fiscal year
658 for which the special assessment was collected.

659 Section 2. This act shall become effective on the
660 first day of the third month following its passage and
661 approval by the Governor, or its otherwise becoming law.

SB166 Engrossed



662
663
664 Senate

665 Read for the first time and referred04-Apr-23
666 to the Senate committee on Fiscal
667 Responsibility and Economic
668 Development
669
670 Read for the second time and placed19-Apr-23
671 on the calendar:
672 0 amendments
673
674 Read for the third time and passed27-Apr-23
675 as amended
676 Yeas 29
677 Nays 0
678 Abstains 0
679
680

Patrick Harris,
Secretary.

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