

Senate Bill 374

By: Senators Cowser of the 46th, Hill of the 6th, Millar of the 40th and Jackson of the 2nd

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Chapter 61 of Title 36 of the Official Code of Georgia Annotated, the "Urban
2 Redevelopment Law," so as to revise terminology from "slums" to "pockets of blight"; to
3 provide for related matters; to repeal conflicting laws; and for other purposes.

4 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

5 **SECTION 1.**

6 Chapter 61 of Title 36 of the Official Code of Georgia Annotated, relating to urban
7 redevelopment, is amended by revising Code Section 36-61-2, relating to definitions, as
8 follows:

9 "36-61-2.

10 As used in this chapter, the term:

11 (1) 'Agency' or 'urban redevelopment agency' means a public agency created by Code
12 Section 36-61-18.

13 (2) 'Area of operation' means the area within the corporate limits of the municipality or
14 county and the area within five miles of such limits, except that it shall not include any
15 area which lies within the territorial boundaries of another incorporated municipality or
16 another county unless a resolution is adopted by the governing body of such other
17 municipality or county declaring a need therefor.

18 (3) 'Board' or 'commission' means a board, commission, department, division, office,
19 body, or other unit of the municipality or county.

20 (4) 'Bonds' means any bonds (including refunding bonds), notes, interim certificates,
21 certificates of indebtedness, debentures, or other obligations.

22 (5) 'Clerk' means the clerk or other official of the municipality or county who is the
23 custodian of the official records of such municipality or county.

24 (6) 'County' means any county in this state.

25 (7) 'Downtown development authority' means an authority created pursuant to Chapter
26 42 of this title.

- 27 (8) 'Federal government' means the United States of America or any agency or
 28 instrumentality, corporate or otherwise, of the United States of America.
- 29 (9) 'Housing authority' means a housing authority created by and established pursuant
 30 to Article 1 of Chapter 3 of Title 8, the 'Housing Authorities Law.'
- 31 (10) 'Local governing body' means the council or other legislative body charged with
 32 governing the municipality and the board of commissioners or governing authority of the
 33 county.
- 34 (11) 'Mayor' means the mayor of a municipality or other officer or body having the
 35 duties customarily imposed upon the executive head of a municipality.
- 36 (12) 'Municipality' means any incorporated city or town in ~~the~~ this state.
- 37 (13) 'Obligee' includes any bondholder, agents, or trustees for any bondholders, or any
 38 lessor demising to the municipality or county property used in connection with an urban
 39 redevelopment project, or any assignee or assignees of such lessor's interest or any part
 40 thereof, and the federal government when it is a party to any contract with the
 41 municipality or county.
- 42 (14) 'Person' means any individual, firm, partnership, corporation, company, association,
 43 joint-stock association, or body politic and includes any trustee, receiver, assignee, or
 44 other person acting in a similar representative capacity.
- 45 (15) 'Pocket of blight' means an area in which there is a predominance of buildings or
 46 improvements, whether residential or nonresidential, which by reason of dilapidation,
 47 deterioration, age, or obsolescence; inadequate provision for ventilation, light, air,
 48 sanitation, or open spaces; high density of population and overcrowding; existence of
 49 conditions which endanger life or property by fire and other causes; or any combination
 50 of such factors is conducive to ill health, transmission of disease, infant mortality,
 51 juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or
 52 welfare. 'Pocket of blight' also means an area which by reason of the presence of a
 53 substantial number of deteriorated or deteriorating structures; predominance of defective
 54 or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility,
 55 or usefulness; unsanitary or unsafe conditions; deterioration of site or other
 56 improvements; tax or special assessment delinquency exceeding the fair value of the land;
 57 the existence of conditions which endanger life or property by fire and other causes; by
 58 having development impaired by airport or transportation noise or by other environmental
 59 hazards; or any combination of such factors substantially impairs or arrests the sound
 60 growth of a municipality or county, retards the provisions of housing accommodations,
 61 or constitutes an economic or social liability and is a menace to the public health, safety,
 62 morals, or welfare in its present condition and use.
- 63 (16) 'Pocket of blight clearance and redevelopment' may include:

- 64 (A) Acquisition of a pocket of blight or portion thereof;
 65 (B) Rehabilitation or demolition and removal of buildings and improvements;
 66 (C) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds,
 67 and other improvements necessary for carrying out in the area the urban redevelopment
 68 provisions of this chapter in accordance with the urban redevelopment plan; and
 69 (D) Making the land available for development or redevelopment by private enterprise
 70 or public agencies, including sale, initial leasing, or retention by the municipality or
 71 county itself, at its fair value for uses in accordance with the urban redevelopment plan.

72 ~~(15)~~(17) 'Public body' means the state or any municipality, county, board, commission,
 73 authority, district, housing authority, urban redevelopment agency, or other subdivision
 74 or public body of the state.

75 ~~(16)~~(18) 'Real property' includes all lands, including improvements and fixtures thereon
 76 and property of any nature appurtenant thereto or used in connection therewith, and every
 77 estate, interest, right, and use, legal or equitable, therein, including terms for years and
 78 liens by way of judgment, mortgage, or otherwise.

79 ~~(17)~~(19) 'Rehabilitation' or 'conservation' may include the restoration and redevelopment
 80 of a ~~slum~~ area pocket of blight or portion thereof, in accordance with an urban
 81 redevelopment plan, by:

82 (A) Carrying out plans for a program of voluntary or compulsory repair and
 83 rehabilitation of buildings or other improvements;

84 (B) Acquisition of real property and rehabilitation or demolition and removal of
 85 buildings and improvements thereon where necessary to eliminate unhealthful,
 86 unsanitary, or unsafe conditions, to lessen density, to reduce traffic hazards, to
 87 eliminate obsolete or other uses detrimental to the public welfare, to otherwise remove
 88 or prevent the spread of ~~slums~~ pockets of blight or deterioration, or to provide land for
 89 needed public facilities;

90 (C) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds,
 91 and other improvements necessary for carrying out in the area the urban redevelopment
 92 provisions of this chapter; and

93 (D) The disposition of any property acquired in such urban redevelopment area,
 94 including sale, initial leasing or retention by the municipality or county itself, at its fair
 95 value for uses in accordance with the urban redevelopment plan.

96 ~~(18) 'Slum area' means an area in which there is a predominance of buildings or~~
 97 ~~improvements, whether residential or nonresidential, which by reason of dilapidation,~~
 98 ~~deterioration, age, or obsolescence; inadequate provision for ventilation, light, air,~~
 99 ~~sanitation, or open spaces; high density of population and overcrowding; existence of~~
 100 ~~conditions which endanger life or property by fire and other causes; or any combination~~

101 ~~of such factors is conducive to ill health, transmission of disease, infant mortality,~~
 102 ~~juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or~~
 103 ~~welfare. 'Slum area' also means an area which by reason of the presence of a substantial~~
 104 ~~number of slum, deteriorated, or deteriorating structures; predominance of defective or~~
 105 ~~inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or~~
 106 ~~usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements;~~
 107 ~~tax or special assessment delinquency exceeding the fair value of the land; the existence~~
 108 ~~of conditions which endanger life or property by fire and other causes; by having~~
 109 ~~development impaired by airport or transportation noise or by other environmental~~
 110 ~~hazards; or any combination of such factors substantially impairs or arrests the sound~~
 111 ~~growth of a municipality or county, retards the provisions of housing accommodations,~~
 112 ~~or constitutes an economic or social liability and is a menace to the public health, safety,~~
 113 ~~morals, or welfare in its present condition and use.~~

114 ~~(19) 'Slum clearance and redevelopment' may include:~~

- 115 ~~(A) Acquisition of a slum area or portion thereof;~~
- 116 ~~(B) Rehabilitation or demolition and removal of buildings and improvements;~~
- 117 ~~(C) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds,~~
 118 ~~and other improvements necessary for carrying out in the area the urban redevelopment~~
 119 ~~provisions of this chapter in accordance with the urban redevelopment plan; and~~
- 120 ~~(D) Making the land available for development or redevelopment by private enterprise~~
 121 ~~or public agencies (including sale, initial leasing, or retention by the municipality or~~
 122 ~~county itself) at its fair value for uses in accordance with the urban redevelopment plan.~~

123 ~~(20) 'Urban redevelopment area' means a slum area pocket of blight which the local~~
 124 ~~governing body designates as appropriate for an urban redevelopment project.~~

125 ~~(21) 'Urban redevelopment plan' means a plan, as it exists from time to time, for an urban~~
 126 ~~redevelopment project, which plan shall:~~

- 127 ~~(A) Conform to the general plan for the municipality or county as a whole; and~~
- 128 ~~(B) Be sufficiently complete to indicate such land acquisition, demolition and removal~~
 129 ~~of structures, redevelopment, improvements, and rehabilitation as may be proposed to~~
 130 ~~be carried out in the urban redevelopment area; zoning and planning changes, if any;~~
 131 ~~land uses; maximum densities; building requirements; and the plan's relationship to~~
 132 ~~definite local objectives respecting appropriate land uses, improved traffic, public~~
 133 ~~transportation, public utilities, recreational and community facilities, and other public~~
 134 ~~improvements.~~

135 ~~(22) 'Urban redevelopment project' may include undertakings or activities of a~~
 136 ~~municipality or county in an urban redevelopment area for the elimination and for the~~
 137 ~~prevention of the development or spread of slums pockets of blight and may involve slum~~

138 pocket of blight clearance and redevelopment in an urban redevelopment area,
 139 rehabilitation or conservation in an urban redevelopment area, or any combination or part
 140 thereof, in accordance with an urban redevelopment plan. Although the power of
 141 eminent domain may not be exercised for such purposes, such undertakings or activities
 142 may include:

143 (A) Acquisition, without regard to any requirement that the area be a ~~slum or blighted~~
 144 ~~area~~ pocket of blight, of air rights in an area consisting of lands and highways, railway
 145 or subway tracks, bridge or tunnel entrances, or other similar facilities which have a
 146 blighting influence on the surrounding area and over which air rights sites are to be
 147 developed for the elimination of such blighting influences and for the provision of
 148 housing and related facilities and uses designed for, and limited primarily to, families
 149 and individuals of low or moderate income; and

150 (B) Construction of foundations and platforms necessary for the provision of air rights
 151 sites of housing and related facilities and uses designed for, and limited primarily to,
 152 families and individuals of low or moderate income or construction of foundations
 153 necessary for the provision of air rights sites for development of nonresidential
 154 facilities."

155 **SECTION 2.**

156 Said chapter is further amended by revising Code Section 36-61-3, relating to legislative
 157 findings and declaration of necessity, as follows:

158 "36-61-3.

159 (a) It is found and declared that there exist in municipalities and counties of this state ~~slum~~
 160 ~~areas~~ pockets of blight, as defined in paragraph ~~(18)~~ (15) of Code Section 36-61-2, which
 161 constitute a serious and growing menace, injurious to the public health, safety, morals, and
 162 welfare of the residents of this state; that the existence of such areas contributes
 163 substantially and increasingly to the spread of disease and crime, constitutes an economic
 164 and social liability, substantially impairs or arrests the sound growth of municipalities and
 165 counties, retards the provision of housing accommodations, aggravates traffic problems,
 166 and substantially impairs or arrests the elimination of traffic hazards and the improvement
 167 of traffic facilities; and that the prevention and elimination of ~~slums~~ pockets of blight is a
 168 matter of state policy and state concern, in order that ~~the~~ this state and its municipalities
 169 and counties shall not continue to be endangered by areas which are local centers of
 170 disease, promote juvenile delinquency, and, while contributing little to the tax income of
 171 ~~the~~ this state and its municipalities and counties, consume an excessive proportion of its
 172 revenues because of the extra services required for police, fire, accident, hospitalization,
 173 and other forms of public protection, services, and facilities.

174 (b) It is further found and declared that certain ~~slum areas~~ pockets of blight or portions
 175 thereof may require acquisition, clearance, and disposition, subject to use restrictions, as
 176 provided in this chapter, since the prevailing condition of decay may make impracticable
 177 the reclamation of the area by conservation or rehabilitation; that the other areas or portions
 178 thereof, through the means provided in this chapter, may be susceptible of conservation or
 179 rehabilitation in such a manner that the conditions and evils enumerated in subsection (a)
 180 of this Code section may be eliminated, remedied, or prevented and that, to the extent that
 181 is feasible, salvable ~~slum areas~~ pockets of blight should be conserved and rehabilitated
 182 through voluntary action and the regulatory process.

183 (c) It is further found and declared that the powers conferred by this chapter are for public
 184 uses and purposes for which public money may be expended and the power of eminent
 185 domain may be exercised. The necessity, in the public interest, for the provisions enacted
 186 in this chapter is declared as a matter of legislative determination."

187 SECTION 3.

188 Said chapter is further amended by revising Code Section 36-61-5, relating to resolution of
 189 necessity as prerequisite to exercise of powers, as follows:

190 "36-61-5.

191 No municipality or county shall exercise any of the powers conferred upon municipalities
 192 and counties by this chapter until after its local governing body has adopted a resolution
 193 finding that:

- 194 (1) One or more ~~slum areas~~ pockets of blight exist in such municipality or county; and
 195 (2) The rehabilitation, conservation, or redevelopment, or a combination thereof, of such
 196 area or areas is necessary in the interest of the public health, safety, morals, or welfare
 197 of the residents of the municipality or county."

198 SECTION 4.

199 Said chapter is further amended by revising Code Section 36-61-6, relating to formulation
 200 of workable program, as follows:

201 "36-61-6.

202 For the purposes of this chapter, a municipality or county may formulate a workable
 203 program for utilizing appropriate private and public resources, including those specified
 204 in Code Section 36-61-11, to eliminate and prevent the development or spread of ~~slums~~
 205 pockets of blight, to encourage needed urban rehabilitation, to provide for the
 206 redevelopment of ~~slum areas~~ pockets of blight, or to undertake such of the aforesaid
 207 activities or such other feasible municipal or county activities as may be suitably employed
 208 to achieve the objectives of such workable program. Such workable program may include,

209 without limitation, provision for the prevention of the spread of ~~slums~~ pockets of blight into
 210 areas of the municipality or county which are free from ~~slums~~ pockets of blight, through
 211 diligent enforcement of housing, zoning, and occupancy controls and standards; the
 212 rehabilitation or conservation of ~~slum areas~~ pockets of blight or portions thereof by
 213 replanning, removing congestion, providing parks, playgrounds, and other public
 214 improvements, encouraging voluntary rehabilitation, and compelling the repair and
 215 rehabilitation of deteriorated or deteriorating structures; and the clearance and
 216 redevelopment of ~~slum areas~~ pockets of blight or portions thereof."

217 **SECTION 5.**

218 Said chapter is further amended by revising Code Section 36-61-7, relating to preparation of
 219 redevelopment plan, approval, modification, and effect of approval, as follows:

220 "36-61-7.

221 (a) A municipality or county shall not approve an urban redevelopment plan for an urban
 222 redevelopment area unless the governing body, by resolution, has determined such area to
 223 be a ~~slum area~~ pocket of blight and designated such area as appropriate for an urban
 224 redevelopment project. Authority is vested in every municipality and county to prepare,
 225 to adopt, and to revise, from time to time, a general plan for the physical development of
 226 the municipality or county as a whole (giving due regard to the environs and metropolitan
 227 surroundings), to establish and maintain a planning commission for such purpose and
 228 related municipal and county planning activities, and to make available and to appropriate
 229 the necessary funds therefor. A municipality or county shall not acquire real property for
 230 an urban redevelopment project unless the local governing body has approved the urban
 231 redevelopment plan in accordance with subsection (d) of this Code section.

232 (b) The municipality or county may itself prepare or cause to be prepared an urban
 233 redevelopment plan; alternatively, any person or agency, public or private, may submit a
 234 plan to a municipality or county.

235 (c) The local governing body of the municipality or county shall hold or shall cause some
 236 agency of the municipality or county to hold a public hearing on an urban redevelopment
 237 plan or a substantial modification of an approved urban redevelopment plan, after public
 238 notice thereof by publication in a newspaper having a general circulation in the area of
 239 operation of the municipality or county. The notice shall describe the time, date, place, and
 240 purpose of the hearing, shall generally identify the urban redevelopment area covered by
 241 the plan, and shall outline the general scope of the urban redevelopment project under
 242 consideration.

243 (d) Following such hearing, the local governing body may approve an urban
 244 redevelopment plan if it finds that:

- 245 (1) A feasible method exists for the relocation of families who will be displaced from the
 246 urban redevelopment area in decent, safe, and sanitary dwelling accommodations within
 247 their means and without undue hardship to such families;
- 248 (2) The urban redevelopment plan conforms to the general plan of the municipality or
 249 county as a whole; and
- 250 (3) The urban redevelopment plan will afford maximum opportunity, consistent with the
 251 sound needs of the municipality or county as a whole, for the rehabilitation or
 252 redevelopment of the urban redevelopment area by private enterprise.
- 253 (e) An urban redevelopment plan may be modified at any time, provided that, if modified
 254 after the lease or sale by the municipality or county of real property in the urban
 255 redevelopment project area, such modification shall be subject to such rights at law or in
 256 equity as a lessee or purchaser or his or her successor or successors in interest may be
 257 entitled to assert. Any proposed modification which will substantially change the urban
 258 redevelopment plan as previously approved by the local governing body shall be subject
 259 to the requirements of this Code section, including the requirement of a public hearing,
 260 before it may be approved.
- 261 (f) Upon the approval of an urban redevelopment plan by a municipality or county, the
 262 provisions of the plan with respect to the future use and building requirements applicable
 263 to the property covered by the plan shall be controlling with respect thereto."

264

SECTION 6.

265 Said chapter is further amended by revising paragraphs (1), (6), and (9) of Code
 266 Section 36-61-8, relating to powers of municipalities and counties generally, as follows:

267 "(1) To undertake and carry out urban redevelopment projects within its area of
 268 operation; to make and execute contracts and other instruments necessary or convenient
 269 to the exercise of its powers under this chapter; and to disseminate ~~slum~~ pocket of blight
 270 clearance and urban redevelopment information;"

271 "(6) Within their area of operation, to make or have made all plans necessary to the
 272 carrying out of the purposes of this chapter and to contract with any person, public or
 273 private, in making and carrying out such plans and to adopt or approve, modify, and
 274 amend such plans. Such plans may include, without limitation:

275 (A) A general plan for the locality as a whole;

276 (B) Urban redevelopment plans;

277 (C) Plans for carrying out a program of voluntary or compulsory repair and
 278 rehabilitation of buildings and improvements, to include but not to be limited to making
 279 loans and grants from funds received from the federal government, as well as from
 280 funds received from the repayment of such loans and interest thereon, to persons, public

281 or private, owning private housing for the purpose of financing the rehabilitation of
282 such housing;

283 (D) Plans for the enforcement of state and local laws, codes, and regulations relating
284 to the use of land and the use and occupancy of buildings and improvements and to the
285 compulsory repair, rehabilitation, demolition, or removal of buildings and
286 improvements; and

287 (E) Appraisals, title searches, surveys, studies, and other preliminary plans and work
288 necessary to prepare for the undertaking of urban redevelopment projects.

289 The municipality or county is authorized to develop, test, and report methods and
290 techniques and to carry out demonstrations and other activities for the prevention and
291 elimination of ~~slums~~ pockets of blight and to apply for, accept, and utilize grants of funds
292 from the federal government for such purposes;"

293 "(9) Within their areas of operation, to organize, coordinate, and direct the administration
294 of the provisions of this chapter as they apply to such municipality or county, in order
295 that the objective of remedying ~~slums~~ pockets of blight and preventing the causes thereof
296 within the municipality or county may be most effectively promoted and achieved, and
297 to establish such new office or offices of the municipality or county or to reorganize
298 existing offices in order to carry out such purpose most effectively-; and"

299

SECTION 7.

300 Said chapter is further amended by revising subsection (a) of Code Section 36-61-10, relating
301 to disposal of property in redevelopment area generally, notice and bidding procedures,
302 exchange with veterans' organization, and temporary operation of property, as follows:

303 "(a) A municipality or county may sell, lease, or otherwise transfer real property in an
304 urban redevelopment area or any interest therein acquired by it and may enter into contracts
305 with respect thereto, for residential, recreational, commercial, industrial, or other uses or
306 for public use; or the municipality or county may retain such property or interest for public
307 use, in accordance with the urban redevelopment plan, subject to such covenants,
308 conditions, and restrictions, including covenants running with the land and including the
309 incorporation by reference therein of the provisions of an urban redevelopment plan or any
310 part thereof, as it may deem to be in the public interest or necessary or desirable to assist
311 in preventing the development or spread of future ~~slums~~ pockets of blight or to otherwise
312 carry out the purposes of this chapter. Such sale, lease, other transfer, or retention and any
313 agreement relating thereto may be made only after the approval of the urban redevelopment
314 plan by the local governing body. The purchasers or lessees and their successors and
315 assigns shall be obligated to devote such real property only to the uses specified in the
316 urban redevelopment plan and may be obligated to comply with such other requirements

317 as the municipality or county may determine to be in the public interest, including the
 318 obligation to begin within a reasonable time any improvements on the real property
 319 required by the urban redevelopment plan. Such real property or interest shall be sold,
 320 leased, otherwise transferred, or retained at not less than its fair value for uses in
 321 accordance with the urban redevelopment plan. In determining the fair value of real
 322 property for uses in accordance with the urban redevelopment plan, a municipality or
 323 county shall take into account and give consideration to the uses provided in such plan; the
 324 restrictions upon and the covenants, conditions, and obligations assumed by the purchaser
 325 or lessee or by the municipality or county retaining the property; and the objectives of such
 326 plan for the prevention of the recurrence of ~~slum areas~~ pockets of blight. The municipality
 327 or county in any instrument of conveyance to a private purchaser or lessee may provide that
 328 such purchaser or lessee shall be without power to sell, lease, or otherwise transfer the real
 329 property without the prior written consent of the municipality or county until he or she has
 330 completed the construction of any and all improvements which he or she has obligated
 331 himself or herself to construct thereon. Real property acquired by a municipality or county
 332 which, in accordance with the provisions of the urban redevelopment plan, is to be
 333 transferred shall be transferred as rapidly as feasible in the public interest consistent with
 334 the carrying out of the provisions of the urban redevelopment plan. The inclusion in any
 335 such contract or conveyance to a purchaser or lessee of any such covenants, restrictions,
 336 or conditions, including the incorporation by reference therein of the provisions of an urban
 337 redevelopment plan or any part thereof, shall not prevent the filing of the contract or
 338 conveyance in the land records of the county in such manner as to afford actual or
 339 constructive notice thereof."

340 **SECTION 8.**

341 Said chapter is further amended by revising subsection (b) of Code Section 36-61-17, relating
 342 to exercise of redevelopment powers by municipalities and counties and delegation to
 343 redevelopment agency or housing authority, as follows:

344 "(b) As used in this Code section, the term 'urban redevelopment project powers' shall
 345 include all of the rights, powers, functions, duties, privileges, immunities, and exemptions
 346 granted to a municipality or county under this chapter, except the following:

- 347 (1) The power to determine an area to be a ~~slum area~~ pocket of blight and to designate
 348 such area as appropriate for an urban redevelopment project;
- 349 (2) The power to approve and amend urban redevelopment plans;
- 350 (3) The power to establish a general plan for the locality as a whole;
- 351 (4) The power to formulate a workable program under Code Section 36-61-6;
- 352 (5) The powers, duties, and functions referred to in Code Section 36-61-11;

- 353 (6) The power to make the determinations and findings provided for in Code
354 Section 36-61-4, Code Section 36-61-5, and subsection (d) of Code Section 36-61-7;
355 (7) The power to issue general obligation bonds; and
356 (8) The power to appropriate funds, to levy taxes and assessments, and to exercise other
357 powers provided for in paragraph (8) of Code Section 36-61-8."

358

SECTION 9.

359 All laws and parts of laws in conflict with this Act are repealed.