

STATEMENT OF PURPOSE

RS24379

Under current law, the governing body of a municipality – such as a city, county, or highway district– can create a local improvement district ("LID") within its jurisdiction (50-1703(b)) by enacting a resolution (50-1706), holding hearings, and then enacting an ordinance (50-1710). These LIDs can construct and maintain sidewalks, roads, sewers, ditches, parks, and other infrastructure (50-1703). The creation of an LID gives the municipality a property tax levy up to .02% of the market value for assessment purposes (50-1762).

In the event that 60% or more of the residents subject to the property tax assessment for the LID sign a protest, the residents can appeal the creation of the LID to the city council and the board of county commissioners. This puts city councils and board of county commissioners in the position of reviewing and potentially overruling the decision of other elected officials, such as highway district commissioners. County commissioners and city councils typically do not have any authority over other taxing districts except this one part of code.

To preserve the independence of the decisions of other elected governing bodies, this legislation removes the responsibility from cities and counties and places the responsibility for review of the LID back in the hands of the highway district commissioners that created the LID.

FISCAL NOTE

There is no fiscal impact on the state General Fund. In circumstances where highway districts create LID's and an objection is lodged, there would a savings of time for the appropriate city council or county commissioners to review, conduct a hearing and approve or disapprove the LID.

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