

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 95, As Amended

BY LOCAL GOVERNMENT COMMITTEE

AN ACT

1 RELATING TO URBAN RENEWAL; AMENDING SECTION 50-2006, IDAHO CODE, TO PRO-
2 VIDE FOR AN ELECTION, TO REVISE PROVISIONS RELATING TO ESTABLISHING A
3 BOARD OF COMMISSIONERS, TO PROVIDE FOR COMPOSITION OF A BOARD OF COM-
4 MISSIONERS, TO PROVIDE FOR BOARD TERMS, TO REVISE PROVISIONS RELATING
5 TO REMOVAL OF A COMMISSIONER, TO PROVIDE FOR FILLING A VACANCY, TO RE-
6 VISE PROVISIONS RELATING TO THE ELECTION OF BOARD OFFICERS AND TO MAKE A
7 TECHNICAL CORRECTION; AMENDING SECTION 50-2007, IDAHO CODE, TO REVISE
8 POWERS OF URBAN RENEWAL AND TO MAKE A TECHNICAL CORRECTION; AMENDING
9 SECTION 50-2008, IDAHO CODE, TO REVISE THE COMMENT PERIOD AND TO PROVIDE
10 A CORRECT CITATION; AMENDING SECTION 50-2018, IDAHO CODE, TO REVISE THE
11 DEFINITIONS OF "DETERIORATED AREA" AND "DETERIORATING AREA"; AMEND-
12 ING CHAPTER 20, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION
13 50-2033, IDAHO CODE, TO PROVIDE FOR PROHIBITED AMENDMENTS; AMENDING
14 SECTION 50-2903, IDAHO CODE, TO REVISE THE DEFINITIONS OF "DETERIO-
15 RATED AREA" AND "TERMINATION DATE" AND TO MAKE TECHNICAL CORRECTIONS;
16 AMENDING SECTION 50-2904, IDAHO CODE, TO REVISE PROVISIONS RELATING TO
17 REVENUE ALLOCATION AREAS AND MONEYS OBTAINED THERETO; AMENDING SECTION
18 50-2909, IDAHO CODE, TO PROVIDE ON AND AFTER JULY 1, 2011, THAT BONDS MAY
19 BE ISSUED FOR A MAXIMUM PERIOD OF TWENTY YEARS; AND PROVIDING SEVERABIL-
20 ITY.
21

22 Be It Enacted by the Legislature of the State of Idaho:

23 SECTION 1. That Section 50-2006, Idaho Code, be, and the same is hereby
24 amended to read as follows:

25 50-2006. URBAN RENEWAL AGENCY. (a) There is hereby created in each mu-
26 nicipality an independent public body corporate and politic to be known as
27 the "urban renewal agency" for the municipality; provided, that such agency
28 shall not transact any business or exercise its powers hereunder until or un-
29 less the local governing body has made the findings prescribed in section
30 50-2005, Idaho Code; and provided further, that such agency shall not trans-
31 act any business or exercise its powers provided for in this chapter until a
32 majority of qualified electors, voting in a citywide or countywide election
33 depending on the municipality in which such agency is created, vote to autho-
34 rize such agency to transact business and exercise its powers provided for in
35 this chapter.

36 (b) Upon satisfaction of the requirements under subsection (a) of this
37 section, and uUpon the local governing body making such findings, the ur-
38 ban renewal agency is authorized to transact the business and exercise the
39 powers hereunder by a board of commissioners to be ~~appointed or designated~~
40 established as follows:

41 (1) The mayor, by and with the advice and consent of the local governing
42 body, shall appoint a board of commissioners of the urban renewal agency

1 which shall consist of not less than three (3) commissioners nor more
2 than nine (9) commissioners. In the order of appointment, the mayor
3 shall designate the number of commissioners to be appointed, and the
4 term of each, provided that the original term of office of no more than
5 two (2) commissioners shall expire in the same year. The commissioners
6 shall serve for terms not to exceed five (5) years, from the date of ap-
7 pointment, except that all vacancies shall be filled for the unexpired
8 term.

9 (2) For inefficiency or neglect of duty or misconduct in office, a com-
10 missioner may be removed by a majority vote of the board or by the local
11 governing body only after a hearing and after he shall have been given
12 a copy of the charges at least ten (10) days prior to such hearings and
13 have had an opportunity to be heard in person or by counsel. Any commis-
14 sion position which becomes vacant at a time other than the expiration
15 of a term shall be filled by a majority vote of the board. The board may
16 elect any person to fill such vacant position where such person meets
17 the requirements of a commissioner provided for in this chapter.

18 (23) By enactment of an ordinance, the local governing body may appoint
19 and designate itself to be the board of commissioners of the urban re-
20 newal agency, in which case all the rights, powers, duties, privileges
21 and immunities vested by the urban renewal law of 1965, and as amended,
22 in an appointed board of commissioners, shall be vested in the local
23 governing body, who shall, in all respects when acting as an urban re-
24 newal agency, be acting as an arm of state government, entirely separate
25 and distinct from the municipality, to achieve, perform and accomplish
26 the public purposes prescribed and provided by said urban renewal law of
27 1965, and as amended.

28 (34) By enactment of an ordinance, the local governing body may termi-
29 nate the appointed board of commissioners and thereby appoint and des-
30 ignate itself as the board of commissioners of the urban renewal agency.

31 (c) A commissioner shall receive no compensation for his services but
32 shall be entitled to the necessary expenses, including traveling expenses,
33 incurred in the discharge of his duties. Each commissioner shall hold office
34 until his successor has been appointed and has qualified. A certificate of
35 the appointment or reappointment of any commissioner shall be filed with the
36 clerk of the municipality and such certificate shall be conclusive evidence
37 of the due and proper appointment of such commissioner.

38 The powers of an urban renewal agency shall be exercised by the commis-
39 sioners thereof. A majority of the commissioners shall constitute a quo-
40 rum for the purpose of conducting business and exercising the powers of the
41 agency and for all other purposes. Action may be taken by the agency upon a
42 vote of a majority of the commissioners present, unless in any case the by-
43 laws shall require a larger number.

44 ~~The mayor may appoint a chairman, a cochairman, or a vice chairman for~~
45 ~~a term of office of one (1) year from among the commissioners, thereafter~~
46 ~~the commissioners shall elect the chairman, cochairman or vice chairman for~~
47 ~~a term of one (1) year from among their members. An agency may employ an~~
48 ~~executive director, technical experts and such other agents and employees,~~
49 ~~permanent and temporary, as it may require, and determine their qualifica-~~
50 ~~tions, duties and compensation. For such legal service as it may require,~~

1 an agency may employ or retain its own counsel and legal staff. An agency
2 authorized to transact business and exercise powers under this chapter shall
3 file, with the local governing body, on or before March 31 of each year a
4 report of its activities for the preceding calendar year, which report shall
5 include a complete financial statement setting forth its assets, liabili-
6 ties, income and operating expense as of the end of such calendar year. The
7 agency shall be required to hold a public meeting to report these findings
8 and take comments from the public. At the time of filing the report, the
9 agency shall publish in a newspaper of general circulation in the community
10 a notice to the effect that such report has been filed with the municipality
11 and that the report is available for inspection during business hours in the
12 office of the city clerk or county recorder and in the office of the agency.

13 (d) An urban renewal agency shall have the same fiscal year as a munici-
14 pality and shall be subject to the same audit requirements as a municipality.
15 An urban renewal agency shall be required to prepare and file with its lo-
16 cal governing body an annual financial report and shall prepare, approve and
17 adopt an annual budget for filing with the local governing body, for informa-
18 tional purposes. A budget means an annual estimate of revenues and expenses
19 for the following fiscal year of the agency.

20 (e) An urban renewal agency shall comply with the public records law
21 pursuant to chapter 3, title 9, Idaho Code, open meetings law pursuant to
22 chapter 23, title 67, Idaho Code, the ethics in government law pursuant to
23 chapter 7, title 59, Idaho Code, and the competitive bidding provisions of
24 chapter 28, title 67, Idaho Code.

25 SECTION 2. That Section 50-2007, Idaho Code, be, and the same is hereby
26 amended to read as follows:

27 50-2007. POWERS. Every urban renewal agency shall have all the powers
28 necessary or convenient to carry out and effectuate the purposes and pro-
29 visions of this act, including the following powers in addition to others
30 herein granted:

31 (a) to undertake and carry out urban renewal projects and related ac-
32 tivities within its area of operation; and to make and execute contracts and
33 other instruments necessary or convenient to the exercise of its powers un-
34 der this act; and to disseminate slum clearance and urban renewal informa-
35 tion;

36 (b) to provide or to arrange or contract for the furnishing or repair
37 by any person or agency, public or private, of services, privileges, works,
38 streets, roads, public utilities or other facilities for or in connec-
39 tion with an urban renewal project; to install, construct, and reconstruct
40 streets, utilities, parks, playgrounds, off-street parking facilities,
41 public facilities, other buildings or public improvements; and any improve-
42 ments necessary or incidental to a redevelopment project; and to agree to
43 any conditions that it may deem reasonable and appropriate attached to fed-
44 eral financial assistance and imposed pursuant to federal law relating to
45 the determination of prevailing salaries or wages or compliance with labor
46 standards, in the undertaking or carrying out of an urban renewal project and
47 related activities, and to include in any contract let in connection with
48 such a project and related activities, provisions to fulfill such of said
49 conditions as it may deem reasonable and appropriate;

1 (c) within its area of operation, to enter into any building or property
2 in any urban renewal area in order to make inspections, surveys, appraisals,
3 soundings or test borings, and to obtain, upon sufficient cause and after a
4 hearing on the matter, an order for this purpose from a court of competent
5 jurisdiction in the event entry is denied or resisted; to acquire by pur-
6 chase, lease, option, gift, grant, bequest, devise, eminent domain or oth-
7 erwise, any real property (or personal property for its administrative pur-
8 poses) together with any improvements thereon; to hold, improve, renovate,
9 rehabilitate, clear or prepare for redevelopment any such property or build-
10 ings; to mortgage, pledge, hypothecate or otherwise encumber or dispose of
11 any real property; to insure or provide for the insurance of any real or per-
12 sonal property or operations of the municipality against any risks or haz-
13 ards, including the power to pay premiums on any such insurance; and to enter
14 into any contracts necessary to effectuate the purposes of this act: Pro-
15 vided, however, that no statutory provision with respect to the acquisition,
16 clearance or disposition of property by public bodies shall restrict a mu-
17 nicipality or other public body exercising powers hereunder in the exercise
18 of such functions with respect to an urban renewal project and related activ-
19 ities, unless the legislature shall specifically so state;

20 (d) with the approval of the local governing body, (1) prior to approval
21 of an urban renewal plan, or approval of any modifications of the plan, to ac-
22 quire real property in an urban renewal area, demolish and remove any struc-
23 tures on the property, and pay all costs related to the acquisition, demoli-
24 tion, or removal, including any administrative or relocation expenses; and
25 (2) to assume the responsibility to bear any loss that may arise as the result
26 of the exercise of authority under this subsection in the event that the real
27 property is not made part of the urban renewal project;

28 (e) to invest any urban renewal funds held in reserves or sinking funds
29 or any such funds not required for immediate disbursement, in property
30 or securities in which savings banks may legally invest funds subject to
31 their control; to redeem such bonds as have been issued pursuant to section
32 50-2012, Idaho Code, at the redemption price established therein or to pur-
33 chase such bonds at less than redemption price, all such bonds so redeemed or
34 purchased to be canceled;

35 (f) to borrow money and to apply for and accept advances, loans, grants,
36 contributions and any other form of financial assistance from the federal
37 government, the state, county, or other public body, or from any sources,
38 public or private, for the purposes of this act, and to give such security
39 as may be required and to enter into and carry out contracts or agreements
40 in connection therewith; and to include in any contract for financial as-
41 sistance with the federal government for or with respect to an urban renewal
42 project and related activities such conditions imposed pursuant to federal
43 laws as the municipality may deem reasonable and appropriate and which are
44 not inconsistent with the purposes of this act;

45 (g) within its area of operation, to make or have made all surveys and
46 plans necessary to the carrying out of the purposes of this act and to con-
47 tract with any person, public or private, in making and carrying out such
48 plans and to adopt or approve, modify and amend such plans, which plans may
49 include, but are not limited to: (1) plans for carrying out a program of vol-
50 untary compulsory repair and rehabilitation of buildings and improvements,

1 (2) plans for the enforcement of state and local laws, codes and regulations
 2 relating to the use of land and the use and occupancy of buildings and im-
 3 provements and to the compulsory repair, rehabilitation, demolition, or
 4 removal of buildings and improvements, and (3) appraisals, title searches,
 5 surveys, studies, and other plans and work necessary to prepare for the un-
 6 dertaking of urban renewal projects and related activities; and to develop,
 7 test, and report methods and techniques, and carry out demonstrations and
 8 other activities, for the prevention and the elimination of slums and urban
 9 blight and developing and demonstrating new or improved means of providing
 10 housing for families and persons of low income and to apply for, accept and
 11 utilize grants of funds from the federal government for such purposes;

12 (h) to prepare plans for and assist in the relocation of persons (in-
 13 cluding individuals, families, business concerns, nonprofit organizations
 14 and others) displaced from an urban renewal area, and notwithstanding any
 15 statute of this state to make relocation payments to or with respect to such
 16 persons for which reimbursement or compensation is not otherwise made, in-
 17 cluding the making of such payments financed by the federal government;

18 (i) to exercise all or any part or combination of powers herein granted;

19 (j) in addition to its powers under subsection (b) of this section,
 20 an agency may construct foundations, platforms, and other like structural
 21 forms necessary for the provision or utilization of air rights sites for
 22 buildings and to be used for residential, commercial, industrial, and other
 23 uses contemplated by the urban renewal plan, and to provide utilities to the
 24 development site; and

25 (k) to use, lend or invest funds obtained from the federal government
 26 for the purposes of this act if allowable under federal laws or regulations;
 27 and

28 (l) to disburse revenue allocation proceeds as described in section
 29 50-2904, Idaho Code.

30 SECTION 3. That Section 50-2008, Idaho Code, be, and the same is hereby
 31 amended to read as follows:

32 50-2008. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL
 33 PROJECT. (a) An urban renewal project for an urban renewal area shall not
 34 be planned or initiated unless the local governing body has, by resolution,
 35 determined such area to be a deteriorated area or a deteriorating area or
 36 a combination thereof and designated such area as appropriate for an urban
 37 renewal project.

38 (b) An urban renewal agency may itself prepare or cause to be prepared
 39 an urban renewal plan, or any person or agency, public or private, may sub-
 40 mit such a plan to an urban renewal agency. Prior to its approval of an urban
 41 renewal project, the local governing body shall submit such plan to the plan-
 42 ning commission of the municipality, if any, for review and recommendations
 43 as to its conformity with the general plan for the development of the munic-
 44 ipality as a whole. The planning commission shall submit its written recom-
 45 mendations with respect to the proposed urban renewal plan to the local gov-
 46 erning body within ~~thirty~~ sixty (~~30~~) days after receipt of the plan for re-
 47 view. Upon receipt of the recommendations of the planning commission, or if
 48 no recommendations are received within said ~~30~~ sixty (60) days, then without

1 such recommendations, the local governing body may proceed with the hearing
2 on the proposed urban renewal project prescribed by subsection (c) hereof.

3 (c) The local governing body shall hold a public hearing on an urban
4 renewal project, after public notice thereof by publication in a newspaper
5 having a general circulation in the area of operation of the municipality.
6 The notice shall describe the time, date, place and purpose of the hearing,
7 shall generally identify the urban renewal area covered by the plan, and
8 shall outline the general scope of the urban renewal project under consid-
9 eration.

10 (d) Following such hearing, the local governing body may approve an ur-
11 ban renewal project and the plan therefor if it finds that (1) a feasible
12 method exists for the location of families who will be displaced from the ur-
13 ban renewal area in decent, safe and sanitary dwelling accommodations within
14 their means and without undue hardship to such families; (2) the urban re-
15 newal plan conforms to the general plan of the municipality as a whole; (3)
16 the urban renewal plan gives due consideration to the provision of adequate
17 park and recreational areas and facilities that may be desirable for neigh-
18 borhood improvement, with special consideration for the health, safety and
19 welfare of children residing in the general vicinity of the site covered by
20 the plan; and (4) the urban renewal plan will afford maximum opportunity,
21 consistent with the sound needs of the municipality as a whole, for the reha-
22 bilitation or redevelopment of the urban renewal area by private enterprise:
23 Provided, that if the urban renewal area consists of an area of open land to
24 be acquired by the urban renewal agency, such area shall not be so acquired
25 unless (1) if it is to be developed for residential uses, the local governing
26 body shall determine that a shortage of housing of sound standards and design
27 which is decent, safe and sanitary exists in the municipality; that the need
28 for housing accommodations has been or will be increased as a result of the
29 clearance of slums in other areas; that the conditions of blight in the area
30 and the shortage of decent, safe and sanitary housing cause or contribute to
31 an increase in and spread of disease and crime and constitute a menace to the
32 public health, safety, morals, or welfare; and that the acquisition of the
33 area for residential uses is an integral part of and essential to the pro-
34 gram of the municipality, or (2) if it is to be developed for nonresidential
35 uses, the local governing body shall determine that such nonresidential uses
36 are necessary and appropriate to facilitate the proper growth and develop-
37 ment of the community in accordance with sound planning standards and local
38 community objectives, which acquisition may require the exercise of govern-
39 mental action, as provided in this act, because of defective or unusual con-
40 ditions of title, diversity of ownership, tax delinquency, improper subdivi-
41 sions, outmoded street patterns, deterioration of site, economic disuse,
42 unsuitable topography or faulty lot layouts, the need for the correlation of
43 the area with other areas of a municipality by streets and modern traffic re-
44 quirements, or any combination of such factors or other conditions which re-
45 tard development of the area.

46 (e) An urban renewal plan may be modified at any time: Provided that
47 if modified after the lease or sale by the urban renewal agency of real prop-
48 erty in the urban renewal project area, such modification may be conditioned
49 upon such approval of the owner, lessee or successor in interest as the urban
50 renewal agency may deem advisable and in any event shall be subject to such

1 rights at law or in equity as a lessee or purchaser, or his successor or suc-
2 cessors in interest, may be entitled to assert.

3 (f) Upon the approval by the local governing body of an urban renewal
4 plan or of any modification thereof, such plan or modification shall be
5 deemed to be in full force and effect for the respective urban renewal area,
6 and the urban renewal agency may then cause such plan or modification to be
7 carried out in accordance with its terms.

8 (g) Notwithstanding any other provisions of this act, where the local
9 governing body certifies that an area is in need of redevelopment or reha-
10 bilitation as a result of a flood, fire, hurricane, earthquake, storm, or
11 other catastrophe respecting which the governor of the state has certified
12 the need for disaster assistance under ~~Public Law 875, Eighty-first Congress~~
13 42 U.S.C. section 5121, or other federal law, the local governing body may
14 approve an urban renewal plan and an urban renewal project with respect to
15 such area without regard to the provisions of subsection (d) of this section
16 and the provisions of this section requiring a general plan for the munici-
17 pality and a public hearing on the urban renewal project.

18 SECTION 4. That Section 50-2018, Idaho Code, be, and the same is hereby
19 amended to read as follows:

20 50-2018. DEFINITIONS. The following terms wherever used or referred
21 to in this chapter, shall have the following meanings, unless a different
22 meaning is clearly indicated by the context:

23 (1) "Agency" or "urban renewal agency" shall mean a public agency cre-
24 ated by section 50-2006, Idaho Code.

25 (2) "Municipality" shall mean any incorporated city or town, or county
26 in the state.

27 (3) "Public body" shall mean the state or any municipality, township,
28 board, commission, authority, district, or any other subdivision or public
29 body of the state.

30 (4) "Local governing body" shall mean the council or other legislative
31 body charged with governing the municipality.

32 (5) "Mayor" shall mean the mayor of a municipality or other officer or
33 body having the duties customarily imposed upon the executive head of a mu-
34 nicipality.

35 (6) "Clerk" shall mean the clerk or other official of the municipality
36 who is the custodian of the official records of such municipality.

37 (7) "Federal government" shall include the United States of America or
38 any agency or instrumentality, corporate or otherwise, of the United States
39 of America.

40 (8) "Deteriorated area" shall mean an area in which there is a predomi-
41 nance of buildings or improvements, whether residential or nonresidential,
42 which by reason of dilapidation, deterioration, age or obsolescence, inad-
43 equate provision for ventilation, light, air, sanitation, or open spaces,
44 high density of population and overcrowding, or the existence of conditions
45 which endanger life or property by fire and other causes, or any combination
46 of such factors is conducive to ill health, transmission of disease, infant
47 mortality, juvenile delinquency, or crime, and is detrimental to the public
48 health, safety, morals or welfare. Provided however, this definition shall
49 not apply to any agricultural operation or forestry use, as defined in sec-

1 tion 22-4502(1), Idaho Code, absent the consent of the owner of the agricul-
2 tural operation or forestry operation, except for an agricultural operation
3 or forestry operation that has not been used for three (3) consecutive years.

4 (9) "Deteriorating area" shall mean an area which by reason of the pres-
5 ence of a substantial number of deteriorated or deteriorating structures,
6 predominance of defective or inadequate street layout, faulty lot layout
7 in relation to size, adequacy, accessibility or usefulness, insanitary or
8 unsafe conditions, deterioration of site or other improvements, diversity
9 of ownership, tax or special assessment delinquency exceeding the fair value
10 of the land, defective or unusual conditions of title, or the existence of
11 conditions which endanger life or property by fire and other causes, or any
12 combination of such factors, substantially impairs or arrests the sound
13 growth of a municipality, retards the provision of housing accommodations
14 or constitutes an economic or social liability and is a menace to the public
15 health, safety, morals or welfare in its present condition and use; pro-
16 vided, that if such deteriorating area consists of open land the conditions
17 contained in the proviso in section 50-2008(d), Idaho Code, shall apply; and
18 provided further, that any disaster area referred to in section 50-2008(g),
19 Idaho Code, shall constitute a deteriorating area. Provided however, this
20 definition shall not apply to any agricultural operation or forestry use, as
21 defined in section 22-4502(1), Idaho Code, absent the consent of the owner
22 of the agricultural operation or forestry operation, except for an agricul-
23 tural operation or forestry operation that has not been used for three (3)
24 consecutive years.

25 (10) "Urban renewal project" may include undertakings and activities of
26 a municipality in an urban renewal area for the elimination of deteriorated
27 or deteriorating areas and for the prevention of the development or spread
28 of slums and blight, and may involve slum clearance and redevelopment in an
29 urban renewal area, or rehabilitation or conservation in an urban renewal
30 area, or any combination or part thereof in accordance with an urban renewal
31 plan. Such undertakings and activities may include:

32 (a) Acquisition of a deteriorated area or a deteriorating area or por-
33 tion thereof;

34 (b) Demolition and removal of buildings and improvements;

35 (c) Installation, construction, or reconstruction of streets, utili-
36 ties, parks, playgrounds, off-street parking facilities, public facili-
37 ties or buildings and other improvements necessary for carrying out in
38 the urban renewal area the urban renewal objectives of this chapter in
39 accordance with the urban renewal plan;

40 (d) Disposition of any property acquired in the urban renewal area, in-
41 cluding sale, initial leasing or retention by the agency itself, at its
42 fair value for uses in accordance with the urban renewal plan except for
43 disposition of property to another public body;

44 (e) Carrying out plans for a program of voluntary or compulsory repair
45 and rehabilitation of buildings or other improvements in accordance
46 with the urban renewal plan;

47 (f) Acquisition of real property in the urban renewal area which, under
48 the urban renewal plan, is to be repaired or rehabilitated for dwelling
49 use or related facilities, repair or rehabilitation of the structures
50 for guidance purposes, and resale of the property;

1 (g) Acquisition of any other real property in the urban renewal area
2 where necessary to eliminate unhealthful, insanitary or unsafe condi-
3 tions, lessen density, eliminate obsolete or other uses detrimental to
4 the public welfare, or otherwise to remove or to prevent the spread of
5 blight or deterioration, or to provide land for needed public facili-
6 ties;

7 (h) Lending or investing federal funds; and

8 (i) Construction of foundations, platforms and other like structural
9 forms.

10 (11) "Urban renewal area" means a deteriorated area or a deteriorating
11 area or a combination thereof which the local governing body designates as
12 appropriate for an urban renewal project.

13 (12) "Urban renewal plan" means a plan, as it exists from time to time,
14 for an urban renewal project, which plan:

15 (a) Shall conform to the general plan for the municipality as a whole
16 except as provided in section 50-2008(g), Idaho Code; and

17 (b) Shall be sufficiently complete to indicate such land acquisition,
18 demolition and removal of structures, redevelopment, improvements,
19 and rehabilitation as may be proposed to be carried out in the urban
20 renewal area, zoning and planning changes, if any, land uses, maximum
21 densities, building requirements, and any method or methods of financ-
22 ing such plan, which methods may include revenue allocation financing
23 provisions.

24 (13) "Related activities" shall mean:

25 (a) Planning work for the preparation or completion of a community-wide
26 plan or program pursuant to section 50-2009, Idaho Code; and

27 (b) The functions related to the acquisition and disposal of real prop-
28 erty pursuant to section 50-2007(d), Idaho Code.

29 (14) "Real property" shall include all lands, including improvements
30 and fixtures thereon, and property of any nature appurtenant thereto, or
31 used in connection therewith, and every estate, interest, right and use,
32 legal or equitable, therein, including terms for years and liens by way of
33 judgment, mortgage or otherwise.

34 (15) "Bonds" shall mean any bonds, including refunding bonds, notes,
35 interim certificates, certificates of indebtedness, debentures or other
36 obligations.

37 (16) "Obligee" shall include any bondholder, agents or trustees for any
38 bondholders, or lessor demising to the municipality property used in connec-
39 tion with urban renewal, or any assignee or assignees of such lessor's inter-
40 est or any part thereof, and the federal government when it is a party to any
41 contract with the municipality.

42 (17) "Person" shall mean any individual, firm, partnership, corpora-
43 tion, company, association, joint stock association, or body politic; and
44 shall include any trustee, receiver, assignee, or other person acting in a
45 similar representative capacity.

46 (18) "Area of operation" shall mean the area within the corporate limits
47 of the municipality and the area within five (5) miles of such limits, except
48 that it shall not include any area which lies within the territorial bound-
49 aries of another incorporated city or town or within the unincorporated area

1 of the county unless a resolution shall have been adopted by the governing
2 body of such other city, town or county declaring a need therefor.

3 (19) "Board" or "commission" shall mean a board, commission, depart-
4 ment, division, office, body or other unit of the municipality.

5 (20) "Public officer" shall mean any officer who is in charge of any de-
6 partment or branch of the government of the municipality relating to health,
7 fire, building regulations, or to other activities concerning dwellings in
8 the municipality.

9 SECTION 5. That Chapter 20, Title 50, Idaho Code, be, and the same is
10 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
11 ignated as Section 50-2033, Idaho Code, and to read as follows:

12 50-2033. PROHIBITED AMENDMENT. Except for consolidation of revenue
13 allocation areas, a revenue allocation area may not be amended to extend its
14 boundaries. An amendment to an urban renewal plan created under this chapter
15 that does not seek to increase the geographic area of the plan, or does not
16 seek to extend the years of the plan beyond the maximum term allowed under
17 chapter 29, title 50, Idaho Code, is not a prohibited amendment. No amend-
18 ment to an existing revenue allocation area shall be interpreted to or shall
19 cause an extension of the limitations established for the existing revenue
20 allocation area as set forth in section 50-2904, Idaho Code.

21 SECTION 6. That Section 50-2903, Idaho Code, be, and the same is hereby
22 amended to read as follows:

23 50-2903. DEFINITIONS. The following terms used in this chapter shall
24 have the following meanings, unless the context otherwise requires:

25 (1) "Act" or "this act" means this revenue allocation act.

26 (2) "Agency" or "urban renewal agency" means a public body created pur-
27 suant to section 50-2006, Idaho Code.

28 (3) "Authorized municipality" or "municipality" means any county or
29 incorporated city which has established an urban renewal agency, or by or-
30 dinance has identified and created a competitively disadvantaged border
31 community.

32 (4) "Base assessment roll" means the equalized assessment rolls, for
33 all classes of taxable property, on January 1 of the year in which the local
34 governing body of an authorized municipality passes an ordinance adopting
35 or modifying an urban renewal plan containing a revenue allocation financ-
36 ing provision, except that the base assessment roll shall be adjusted as fol-
37 lows: the equalized assessment valuation of the taxable property in a rev-
38 enue allocation area as shown upon the base assessment roll shall be reduced
39 by the amount by which the equalized assessed valuation as shown on the base
40 assessment roll exceeds the current equalized assessed valuation of any tax-
41 able property located in the revenue allocation area, and by the equalized
42 assessed valuation of taxable property in such revenue allocation area that
43 becomes exempt from taxation subsequent to the date of the base assessment
44 roll. The equalized assessed valuation of the taxable property in a revenue
45 allocation area as shown on the base assessment roll shall be increased by
46 the equalized assessed valuation, as of the date of the base assessment roll,
47 of taxable property in such revenue allocation area that becomes taxable af-

1 ter the date of the base assessment roll , provided any increase in valuation
2 from change of use of agricultural land in a revenue allocation area shall be
3 added to the base assessment roll.

4 (5) "Budget" means an annual estimate of revenues and expenses for the
5 following fiscal year of the agency. An agency shall, by September 1 of each
6 calendar year, adopt and publish, as described in section 50-1002, Idaho
7 Code, a budget for the next fiscal year. An agency may amend its adopted
8 budget using the same procedures as used for adoption of the budget. For
9 the fiscal year that immediately predates the termination date for an urban
10 renewal plan involving a revenue allocation area or will include the termi-
11 nation date, the agency shall adopt and publish a budget specifically for the
12 projected revenues and expenses of the plan and make a determination as to
13 whether the revenue allocation area can be terminated before the January 1
14 of the termination year pursuant to the terms of section 50-2909(4), Idaho
15 Code. In the event that the agency determines that current tax year revenues
16 are sufficient to cover all estimated expenses for the current year and all
17 future years, by September 1 the agency shall adopt a resolution advising and
18 notifying the local governing body, the county auditor, and the state tax
19 commission and recommending the adoption of an ordinance for termination of
20 the revenue allocation area by December 31 of the current year and declaring
21 a surplus to be distributed as described in section 50-2909, Idaho Code,
22 should a surplus be determined to exist. The agency shall cause the ordi-
23 nance to be filed with the office of the county recorder and the Idaho state
24 tax commission as provided in section 63-215, Idaho Code. Upon notification
25 of revenues sufficient to cover expenses as provided herein, the increment
26 value of that revenue allocation area shall be included in the net taxable
27 value of the appropriate taxing districts when calculating the subsequent
28 property tax levies pursuant to section 63-803, Idaho Code. The increment
29 value shall also be included in subsequent notification of taxable value for
30 each taxing district pursuant to section 63-1312, Idaho Code, and subsequent
31 certification of actual and adjusted market values for each school district
32 pursuant to section 63-315, Idaho Code.

33 (6) "Clerk" means the clerk of the municipality.

34 (7) "Competitively disadvantaged border community area" means a parcel
35 of land consisting of at least forty (40) acres which is situated within the
36 jurisdiction of a county or an incorporated city and within twenty-five (25)
37 miles of a state or international border, which the governing body of such
38 county or incorporated city has determined by ordinance is disadvantaged in
39 its ability to attract business, private investment, or commercial develop-
40 ment, as a result of a competitive advantage in the adjacent state or nation
41 resulting from inequities or disparities in comparative sales taxes, income
42 taxes, property taxes, population or unique geographic features.

43 (8) "Deteriorated area" means:

44 (a) Any area, including a slum area, in which there is a predominance
45 of buildings or improvements, whether residential or nonresidential,
46 which by reason of dilapidation, deterioration, age or obsolescence,
47 inadequate provision for ventilation, light, air, sanitation, or open
48 spaces, high density of population and overcrowding, or the existence
49 of conditions which endanger life or property by fire and other causes,
50 or any combination of such factors, is conducive to ill health, trans-

1 mission of disease, infant mortality, juvenile delinquency, or crime,
2 and is detrimental to the public health, safety, morals or welfare.

3 (b) Any area which by reason of the presence of a substantial number of
4 deteriorated or deteriorating structures, predominance of defective or
5 inadequate street layout, faulty lot layout in relation to size, ade-
6 quacy, accessibility or usefulness, insanitary or unsafe conditions,
7 deterioration of site or other improvements, diversity of ownership,
8 tax or special assessment delinquency exceeding the fair value of the
9 land, defective or unusual conditions of title, or the existence of con-
10 ditions which endanger life or property by fire and other causes, or any
11 combination of such factors, results in economic underdevelopment of
12 the area, substantially impairs or arrests the sound growth of a munici-
13 pality, retards the provision of housing accommodations or constitutes
14 an economic or social liability and is a menace to the public health,
15 safety, morals or welfare in its present condition and use.

16 (c) Any area which is predominately open and which because of obsolete
17 platting, diversity of ownership, deterioration of structures or im-
18 provements, or otherwise, results in economic underdevelopment of the
19 area or substantially impairs or arrests the sound growth of a munici-
20 pality. The provisions of section 50-2008(d), Idaho Code, shall apply
21 to open areas.

22 (d) Any area which the local governing body certifies is in need of
23 redevelopment or rehabilitation as a result of a flood, storm, earth-
24 quake, or other natural disaster or catastrophe respecting which the
25 governor of the state has certified the need for disaster assistance
26 under any federal law.

27 (e) Any area which by reason of its proximity to the border of an ad-
28 jacent state is competitively disadvantaged in its ability to attract
29 private investment, business or commercial development which would
30 promote the purposes of this chapter.

31 (f) "Deteriorated area" does not mean not developed beyond agricul-
32 tural or forestry use, or any agricultural operation as defined in
33 section 22-4502(1), Idaho Code, unless the owner of the agricultural or
34 forestry operation gives written consent to be included in the deteri-
35 orated area, except for an agricultural or forestry operation that has
36 not been used for three (3) consecutive years.

37 (9) "Facilities" means land, rights in land, buildings, structures,
38 machinery, landscaping, extension of utility services, approaches, road-
39 ways and parking, handling and storage areas, and similar auxiliary and re-
40 lated facilities.

41 (10) "Increment value" means the total value calculated by summing the
42 differences between the current equalized value of each taxable property in
43 the revenue allocation area and that property's current base value on the
44 base assessment roll, provided such difference is a positive value.

45 (11) "Local governing body" means the city council or board of county
46 commissioners of a municipality.

47 (12) "Plan" or "urban renewal plan" means a plan, as it exists or may
48 from time to time be amended, prepared and approved pursuant to section
49 50-2008, Idaho Code, and any method or methods of financing such plan, which
50 methods may include revenue allocation financing provisions.

1 (13) "Project" or "urban renewal project" or "competitively disadvan-
2 tagged border areas" may include undertakings and activities of a municipal-
3 ity in an urban renewal area for the elimination of deteriorated or deterio-
4 rating areas and for the prevention of the development or spread of slums and
5 blight, and may involve slum clearance and redevelopment in an urban renewal
6 area, or rehabilitation or conservation in an urban renewal area, or any com-
7 bination or part thereof in accordance with an urban renewal plan. Such un-
8 dertakings and activities may include:

9 (a) Acquisition of a deteriorated area or a deteriorating area or por-
10 tion thereof;

11 (b) Demolition and removal of buildings and improvement;

12 (c) Installation, construction, or reconstruction of streets, utili-
13 ties, parks, playgrounds, open space, off-street parking facilities,
14 public facilities, public recreation and entertainment facilities or
15 buildings and other improvements necessary for carrying out, in the ur-
16 ban renewal area or competitively disadvantaged border community area,
17 the urban renewal objectives of this act in accordance with the urban
18 renewal plan or the competitively disadvantaged border community area
19 ordinance.

20 (d) Disposition of any property acquired in the urban renewal area or
21 the competitively disadvantaged border community area (including sale,
22 initial leasing or retention by the agency itself) or the municipality
23 creating the competitively disadvantaged border community area at its
24 fair value for uses in accordance with the urban renewal plan except for
25 disposition of property to another public body;

26 (e) Carrying out plans for a program of voluntary or compulsory repair
27 and rehabilitation of buildings or other improvements in accordance
28 with the urban renewal plan;

29 (f) Acquisition of real property in the urban renewal area or the com-
30 petitively disadvantaged border community area which, under the urban
31 renewal plan, is to be repaired or rehabilitated for dwelling use or re-
32 lated facilities, repair or rehabilitation of the structures for guid-
33 ance purposes, and resale of the property;

34 (g) Acquisition of any other real property in the urban renewal area
35 or competitively disadvantaged border community area where necessary
36 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-
37 sity, eliminate obsolete or other uses detrimental to the public wel-
38 fare, or otherwise to remove or to prevent the spread of blight or dete-
39 rioration, or to provide land for needed public facilities or where nec-
40 essary to accomplish the purposes for which a competitively disadvan-
41 tagged border community area was created by ordinance;

42 (h) Lending or investing federal funds; and

43 (i) Construction of foundations, platforms and other like structural
44 forms.

45 (14) "Project costs" includes, but is not limited to:

46 (a) Capital costs, including the actual costs of the construction of
47 public works or improvements, facilities, buildings, structures, and
48 permanent fixtures; the demolition, alteration, remodeling, repair or
49 reconstruction of existing buildings, structures, and permanent fix-

1 tures; the acquisition of equipment; and the clearing and grading of
2 land;

3 (b) Financing costs, including interest during construction and capi-
4 talized debt service or repair and replacement or other appropriate re-
5 serves;

6 (c) Real property assembly costs, meaning any deficit incurred from the
7 sale or lease by a municipality of real or personal property within a
8 revenue allocation district;

9 (d) Professional service costs, including those costs incurred for ar-
10 chitectural, planning, engineering, and legal advice and services;

11 (e) Direct administrative costs, including reasonable charges for the
12 time spent by municipal employees in connection with the implementation
13 of a project plan;

14 (f) Relocation costs;

15 (g) Other costs incidental to any of the foregoing costs.

16 (15) "Revenue allocation area" means that portion of an urban renewal
17 area or competitively disadvantaged border community area where the equal-
18 ized assessed valuation (as shown by the taxable property assessment rolls)
19 of which the local governing body has determined, on and as a part of an urban
20 renewal plan, is likely to increase as a result of the initiation of an urban
21 renewal project or competitively disadvantaged border community area. The
22 base assessment roll or rolls of revenue allocation area or areas shall not
23 exceed at any time ten percent (10%) of the current assessed valuation of all
24 taxable property within the municipality.

25 (16) "State" means the state of Idaho.

26 (17) "Tax" or "taxes" means all property tax levies upon taxable prop-
27 erty.

28 (18) "Taxable property" means taxable real property, personal prop-
29 erty, operating property, or any other tangible or intangible property
30 included on the equalized assessment rolls.

31 (19) "Taxing district" means a taxing district as defined in section
32 63-201, Idaho Code, as that section now exists or may hereafter be amended.

33 (20) "Termination date" means a specific date no later than ~~twenty-four~~
34 (240) years from the effective date of an urban renewal plan or as described
35 in section 50-2904, Idaho Code, on which date the plan shall terminate. Ev-
36 ery urban renewal plan shall have a termination date that can be modified or
37 extended subject to the ~~twenty-four~~ (240) year maximum limitation. Provided
38 however, the duration of a revenue allocation financing provision may be ex-
39 tended as provided in section 50-2904, Idaho Code.

40 SECTION 7. That Section 50-2904, Idaho Code, be, and the same is hereby
41 amended to read as follows:

42 50-2904. AUTHORITY TO CREATE REVENUE ALLOCATION AREA. An authorized
43 municipality is hereby authorized and empowered to adopt, at any time, a
44 revenue allocation financing provision, as described in this chapter, as
45 part of an urban renewal plan or competitively disadvantaged border com-
46 munity area ordinance. A revenue allocation financing provision may be
47 adopted either at the time of the original adoption of an urban renewal plan
48 or the creation by ordinance of a competitively disadvantaged border com-
49 munity area or thereafter as a modification of an urban renewal plan or the

1 ordinance creating the competitively disadvantaged border community area.
2 Urban renewal plans existing prior to the effective date of this section may
3 be modified to include a revenue allocation financing provision. Except as
4 provided in subsections (1), (2) and (3) of this section, no revenue allo-
5 cation provision of an urban renewal plan or competitively disadvantaged
6 border community area ordinance, including all amendments thereto, shall
7 have a duration exceeding ~~twenty-four~~ (240) years from the date the ordi-
8 nance is approved by the municipality; and provided further, no additions
9 to the land area of an existing revenue allocation area shall be inter-
10 preted to or shall cause an extension of the date of the ~~twenty-four~~ (240)
11 year limit that was originally established for the revenue allocation area.
12 Notwithstanding these limitations, the duration of the revenue allocation
13 financing provision may be extended if:

14 (1) The maturity date of any bonds issued to provide funds for a spe-
15 cific project in the revenue allocation area and payable from the revenue allo-
16 cation financing provision exceeds the duration of the revenue allocation
17 financing provision, provided such bond maturity is not greater than ~~thirty~~
18 twenty (320) years; or

19 (2) The urban renewal agency determines that it is necessary to refi-
20 nance outstanding bonds payable from the revenue allocation financing pro-
21 vision to a maturity exceeding the ~~twenty-four~~ (240) year duration of the
22 revenue allocation financing provision in order to avoid a default on the
23 bonds; or

24 (3) The local governing body has adopted an urban renewal plan or com-
25 petitively disadvantaged border community area ordinance or an amendment to
26 an urban renewal plan or competitively disadvantaged border community area
27 ordinance prior to July 1, 2000, in which is defined the duration of the plan
28 beyond a period of ~~twenty-four~~ (240) years, in which case the revenue alloca-
29 tion provision shall have a duration as described in such urban renewal plan
30 or competitively disadvantaged border community area ordinance; and

31 (4) During the extensions set forth in subsections (1) and (2) of this
32 section, any revenue allocation area revenues exceeding the amount neces-
33 sary to repay the bonds during the period exceeding the ~~twenty-four~~ (240)
34 year maturity of the revenue allocation financing provision shall be re-
35 turned to the taxing districts in the revenue allocation area on a pro rata
36 basis.

37 (5) The local governing body has adopted an urban renewal plan or com-
38 petitively disadvantaged border community area ordinance or an amendment to
39 an urban renewal plan or competitively disadvantaged border community area
40 ordinance after July 1, 2001, and prior to July 1, 2011, in which is defined
41 the duration of the plan beyond a period of twenty (20) years and not to ex-
42 ceed twenty-four (24) years. The duration of the revenue allocation financ-
43 ing provision may be extended if:

44 (a) The maturity date of any bonds issued to provide funds for a spe-
45 cific project in the revenue allocation area and payable from the
46 revenue allocation financing provision exceeds the duration of the rev-
47 enue allocation financing provision, provided such bond maturity is not
48 greater than twenty-four (24) years; or

49 (b) The urban renewal agency determines that it is necessary to refi-
50 nance outstanding bonds payable from the revenue allocation financing

1 provision to a maturity exceeding the twenty-four (24) year duration of
2 the revenue allocation financing provision in order to avoid a default
3 on the bonds.

4 SECTION 8. That Section 50-2909, Idaho Code, be, and the same is hereby
5 amended to read as follows:

6 50-2909. ISSUANCE OF BONDS -- BOND PROVISIONS. (1) If the local gov-
7 erning body of an authorized municipality has enacted an ordinance adopting
8 a revenue allocation financing provision as part of an urban renewal plan,
9 the urban renewal agency established by such municipality is hereby autho-
10 rized and empowered:

11 (a) To apply the revenues allocated to it pursuant to section 50-2908,
12 Idaho Code, for payment of the projected costs of any urban renewal
13 project located in the revenue allocation area;

14 (b) To borrow money, incur indebtedness and issue one (1) or more series
15 of bonds to finance or refinance, in whole or in part, the urban renewal
16 projects authorized pursuant to such plan within the limits established
17 by paragraph (c) of this subsection; and

18 (c) To pledge irrevocably to the payment of principal of and interest
19 on such moneys borrowed, indebtedness incurred or bonds issued by the
20 agency the revenues allocated to it pursuant to section 50-2908, Idaho
21 Code.

22 All bonds issued under this section shall be issued in accordance with sec-
23 tion 50-2012, Idaho Code, except that such bonds shall be payable solely from
24 the special fund or funds established pursuant to section 50-2908, Idaho
25 Code. On and after July 1, 2011, bonds may be issued for a maximum period of
26 twenty (20) years.

27 (2) The agency shall be obligated and bound to pay such borrowed moneys,
28 indebtedness, and bonds as the same shall become due, but only to the extent
29 that the moneys are available in a special fund or funds established under
30 section 50-2908, Idaho Code; and the agency is authorized to maintain an ad-
31 equate reserve therefor from any moneys deposited in such a special fund or
32 funds.

33 (3) Nothing in this chapter shall in any way impair any powers an urban
34 renewal agency may have under subsection (a) of section 50-2012, Idaho Code.

35 (4) When the revenue allocation area plan budget described in section
36 50-2903(5), Idaho Code, estimates that all financial obligations have been
37 provided for, the principal of and interest on such moneys, indebtedness and
38 bonds have been paid in full, or when deposits in the special fund or funds
39 created under this chapter are sufficient to pay such principal and interest
40 as they come due, and to fund reserves, if any, or any other obligations of
41 the agency funded through revenue allocation proceeds shall be satisfied and
42 the agency has determined no additional project costs need be funded through
43 revenue allocation financing, the allocation of revenues under section
44 50-2908, Idaho Code, shall thereupon cease; any moneys in such fund or funds
45 in excess of the amount necessary to pay such principal and interest shall be
46 distributed to the affected taxing districts in which the revenue allocation
47 area is located in the same manner and proportion as the most recent distri-
48 bution to the affected taxing districts of the taxes on the taxable property
49 located within the revenue allocation area; and the powers granted to the

1 urban renewal agency under section 50-2909, Idaho Code, shall thereupon
2 terminate.

3 SECTION 9. SEVERABILITY. The provisions of this act are hereby declared
4 to be severable and if any provision of this act or the application of such
5 provision to any person or circumstance is declared invalid for any reason,
6 such declaration shall not affect the validity of the remaining portions of
7 this act.