

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 125

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO URBAN RENEWAL; AMENDING SECTION 50-2006, IDAHO CODE, TO REVISE  
2 STATUTORY PROVISIONS REGARDING AN URBAN RENEWAL AGENCY AND TO MAKE  
3 TECHNICAL CORRECTIONS; AMENDING SECTION 50-2007, IDAHO CODE, TO REVISE  
4 POWERS OF AN URBAN RENEWAL AGENCY AND TO MAKE A TECHNICAL CORRECTION;  
5 AMENDING CHAPTER 20, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SEC-  
6 TION 50-2033, IDAHO CODE, TO PROVIDE FOR PROHIBITED AMENDMENT; AMENDING  
7 SECTION 50-2903, IDAHO CODE, TO REVISE DEFINITIONS AND TO MAKE A TECH-  
8 NICAL CORRECTION; AMENDING CHAPTER 29, TITLE 50, IDAHO CODE, BY THE  
9 ADDITION OF A NEW SECTION 50-2903A, IDAHO CODE, TO PROVIDE THE ANNUAL  
10 BUDGET, PLAN TERMINATION AND STATEMENT OF EXCESS REVENUE ALLOCATION  
11 FUNDS; AMENDING SECTION 50-2904, IDAHO CODE, TO REVISE PROVISIONS RE-  
12 LATING TO REVENUE ALLOCATION AREAS AND MONEYS OBTAINED THERETO; AND  
13 PROVIDING SEVERABILITY.  
14

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

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

18 50-2006. URBAN RENEWAL AGENCY. (a) There is hereby created in each mu-  
19 nicipality an independent public body corporate and politic to be known as  
20 the "urban renewal agency" for the municipality; provided, that such agency  
21 shall not transact any business or exercise its powers hereunder until or un-  
22 less the local governing body has made the findings prescribed in section  
23 50-2005, Idaho Code.

24 (b) Upon the local governing body making such findings, the urban re-  
25 newal agency is authorized to transact the business and exercise the powers  
26 hereunder by a board of commissioners to be appointed or designated as fol-  
27 lows:

28 (1) The mayor, by and with the advice and consent of the local govern-  
29 ing body, shall appoint a board of commissioners of the urban renewal  
30 agency which shall consist of not less than three (3) commissioners nor  
31 more than nine (9) commissioners. All of the appointed commissioners  
32 on an agency board shall be a resident and elector of a taxing district  
33 in the area of operation. As used in this chapter "area of operation"  
34 shall have the same meaning as provided for in section 50-2018, Idaho  
35 Code. In the order of appointment, the mayor shall designate the number  
36 of commissioners to be appointed, and the term of each, provided that  
37 the original term of office of not more than two (2) commissioners shall  
38 expire in the same year on an agency board consisting of three (3) or  
39 four (4) commissioners, the original term of office of not more than  
40 three (3) commissioners shall expire in the same year on an agency board  
41 consisting of five (5) or six (6) commissioners, the original term of  
42 office of not more than four (4) commissioners shall expire in the same

1        year on an agency board consisting of seven (7) or eight (8) commission-  
2        ers and the original term of office of not more than five (5) commission-  
3        ers shall expire on the same year on an agency board consisting of nine  
4        (9) commissioners. Beginning with appointment to the board after July  
5        1, 2011, ~~t~~The commissioners shall serve for terms not to exceed five two  
6        (52) years terms, from the date of appointment, except that all vacan-  
7        cies shall be filled for the unexpired term. Each commissioner shall  
8        hold office until his successor has been appointed and has qualified.  
9        Any successor appointment shall be made by the mayor, by and with the  
10       consent of the local governing body, within sixty (60) days of a vacancy  
11       occurring. A certificate of the appointment or reappointment of any  
12       commissioners shall be filed with the clerk of the municipality and such  
13       certificate shall be conclusive evidence of the due and proper appoint-  
14       ment of such commissioner. For appointments made after July 1, 2011, no  
15       person shall be appointed to serve more than four (4) full consecutive  
16       terms. Vacancies occurring otherwise than through the expiration of  
17       terms shall be filled in the same manner as the original appointment.

18       (2) For inefficiency or neglect of duty or misconduct in office, a com-  
19       missioner may be removed only after a hearing and after he shall have  
20       been given a copy of the charges at least ten (10) days prior to such  
21       hearings and have had an opportunity to be heard in person or by coun-  
22       sel.

23       (23) By enactment of an ordinance, the local governing body may appoint  
24       and designate itself to be the board of commissioners of the urban re-  
25       newal agency, in which case all the rights, powers, duties, privileges  
26       and immunities vested by the urban renewal law of 1965, and as amended,  
27       in an appointed board of commissioners, shall be vested in the local  
28       governing body, who shall, in all respects when acting as an urban re-  
29       newal agency, be acting as an arm of state government, entirely separate  
30       and distinct from the municipality, to achieve, perform and accomplish  
31       the public purposes prescribed and provided by said urban renewal law of  
32       1965, and as amended.

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

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

43       (d) The powers of an urban renewal agency shall be exercised by the com-  
44 missioners thereof. A majority of the commissioners shall constitute a quo-  
45 rum for the purpose of conducting business and exercising the powers of the  
46 agency and for all other purposes. Action may be taken by the agency upon a  
47 vote of a majority of the commissioners present, unless in any case the by-  
laws shall require a larger number.

1       (e) The mayor may appoint a chairman, a cochairman, or a vice chairman  
2 for a term of office of one (1) year from among the commissioners, thereafter  
3 the commissioners shall elect the chairman, cochairman or vice chairman for  
4 a term of one (1) year from among their members. An agency may employ an execu-  
5 tive director, technical experts and such other agents and employees, per-  
6 manent and temporary, as it may require, and determine their qualifications,  
7 duties and compensation. For such legal service as it may require, an agency  
8 may employ or retain its own counsel and legal staff.

9       (f) An agency authorized to transact business and exercise powers  
10 under this chapter shall file, with the local governing body, on or before  
11 March 31 of each year a report of its activities for the preceding calendar  
12 year, which report shall include a complete financial statement setting  
13 forth its assets, liabilities, income and operating expense as of the end  
14 of such calendar year. At the time of filing the report, the agency shall  
15 publish in a newspaper of general circulation in the community a notice to  
16 the effect that such report has been filed with the municipality and that the  
17 report is available for inspection during business hours in the office of the  
18 city clerk or county recorder and in the office of the agency.

19       (g) An urban renewal agency shall have the same fiscal year as a munic-  
20 ipality and shall be subject to the same audit requirements as a municipal-  
21 ity. An urban renewal agency shall be required to prepare and file with its  
22 local governing body an annual financial report and shall prepare, approve  
23 and adopt an annual budget for filing with the local governing body, for in-  
24 formational purposes. A budget means an annual estimate of revenues and ex-  
25 penses for the following fiscal year of the agency.

26       (h) An urban renewal agency shall comply with the public records law  
27 pursuant to chapter 3, title 9, Idaho Code, open meetings law pursuant to  
28 chapter 23, title 67, Idaho Code, the ethics in government law pursuant to  
29 chapter 7, title 59, Idaho Code, and the competitive bidding provisions of  
30 chapter 28, title 67, Idaho Code.

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

33       50-2007. POWERS. Every urban renewal agency shall have all the powers  
34 necessary or convenient to carry out and effectuate the purposes and pro-  
35 visions of this act, including the following powers in addition to others  
36 herein granted:

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

42       (b) to provide or to arrange or contract for the furnishing or repair  
43 by any person or agency, public or private, of services, privileges, works,  
44 streets, roads, public utilities or other facilities for or in connec-  
45 tion with an urban renewal project; to install, construct, and reconstruct  
46 streets, utilities, parks, playgrounds, off-street parking facilities,  
47 public facilities, other buildings or public improvements; and any improve-  
48 ments necessary or incidental to a redevelopment project; and to agree to  
49 any conditions that it may deem reasonable and appropriate attached to fed-

1 eral financial assistance and imposed pursuant to federal law relating to  
2 the determination of prevailing salaries or wages or compliance with labor  
3 standards, in the undertaking or carrying out of an urban renewal project and  
4 related activities, and to include in any contract let in connection with  
5 such a project and related activities, provisions to fulfill such of said  
6 conditions as it may deem reasonable and appropriate;

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

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

34 (e) to invest any urban renewal funds held in reserves or sinking funds  
35 or any such funds not required for immediate disbursement, in property  
36 or securities in which savings banks may legally invest funds subject to  
37 their control; to redeem such bonds as have been issued pursuant to section  
38 50-2012, Idaho Code, at the redemption price established therein or to pur-  
39 chase such bonds at less than redemption price, all such bonds so redeemed or  
40 purchased to be canceled;

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

1 (g) within its area of operation, to make or have made all surveys and  
 2 plans necessary to the carrying out of the purposes of this act and to con-  
 3 tract with any person, public or private, in making and carrying out such  
 4 plans and to adopt or approve, modify and amend such plans, which plans may  
 5 include, but are not limited to: (1) plans for carrying out a program of vol-  
 6 untary compulsory repair and rehabilitation of buildings and improvements,  
 7 (2) plans for the enforcement of state and local laws, codes and regulations  
 8 relating to the use of land and the use and occupancy of buildings and im-  
 9 improvements and to the compulsory repair, rehabilitation, demolition, or  
 10 removal of buildings and improvements, and (3) appraisals, title searches,  
 11 surveys, studies, and other plans and work necessary to prepare for the un-  
 12 dertaking of urban renewal projects and related activities; and to develop,  
 13 test, and report methods and techniques, and carry out demonstrations and  
 14 other activities, for the prevention and the elimination of slums and urban  
 15 blight and developing and demonstrating new or improved means of providing  
 16 housing for families and persons of low income and to apply for, accept and  
 17 utilize grants of funds from the federal government for such purposes;

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

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

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

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

34 (l) to use or apply revenue allocation proceeds as provided in chapter  
 35 29, title 50, Idaho Code.

36 SECTION 3. That Chapter 20, Title 50, Idaho Code, be, and the same is  
 37 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
 38 ignated as Section 50-2033, Idaho Code, and to read as follows:

39 50-2033. PROHIBITED AMENDMENT. Subsequent to January 1, 2012, except  
 40 for a consolidation of revenue allocation areas, a revenue allocation area  
 41 may not be amended to extend its boundaries. An amendment to an urban renewal  
 42 plan created under this chapter that does not seek to increase the geographic  
 43 area of the plan, or does not seek to extend the years of the plan, is not a  
 44 prohibited amendment. No amendment to an existing revenue allocation area  
 45 shall be interpreted to or shall cause an extension of the limitations es-  
 46 tablished for the existing revenue allocation area as set forth in section  
 47 50-2904, Idaho Code.

1 SECTION 4. That Section 50-2903, Idaho Code, be, and the same is hereby  
2 amended to read as follows:

3 50-2903. DEFINITIONS. The following terms used in this chapter shall  
4 have the following meanings, unless the context otherwise requires:

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

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

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

12 (4) "Base assessment roll" means the equalized assessment rolls, for  
13 all classes of taxable property, on January 1 of the year in which the local  
14 governing body of an authorized municipality passes an ordinance adopting  
15 or modifying an urban renewal plan containing a revenue allocation financ-  
16 ing provision, except that the base assessment roll shall be adjusted as fol-  
17 lows: the equalized assessment valuation of the taxable property in a rev-  
18 enue allocation area as shown upon the base assessment roll shall be reduced  
19 by the amount by which the equalized assessed valuation as shown on the base  
20 assessment roll exceeds the current equalized assessed valuation of any tax-  
21 able property located in the revenue allocation area, and by the equalized  
22 assessed valuation of taxable property in such revenue allocation area that  
23 becomes exempt from taxation subsequent to the date of the base assessment  
24 roll. The equalized assessed valuation of the taxable property in a revenue  
25 allocation area as shown on the base assessment roll shall be increased by  
26 the equalized assessed valuation, as of the date of the base assessment roll,  
27 of taxable property in such revenue allocation area that becomes taxable af-  
28 ter the date of the base assessment roll.

29 (5) "Budget" means an annual estimate of revenues and expenses for the  
30 following fiscal year of the agency. ~~An agency shall, by September 1 of each~~  
31 ~~calendar year, adopt and publish, as described in section 50-1002, Idaho~~  
32 ~~Code, a budget for the next fiscal year. An agency may amend its adopted~~  
33 ~~budget using the same procedures as used for adoption of the budget. For~~  
34 ~~the fiscal year that immediately predates the termination date for an urban~~  
35 ~~renewal plan involving a revenue allocation area or will include the termi-~~  
36 ~~nation date, the agency shall adopt and publish a budget specifically for the~~  
37 ~~projected revenues and expenses of the plan and make a determination as to~~  
38 ~~whether the revenue allocation area can be terminated before the January 1~~  
39 ~~of the termination year pursuant to the terms of section 50-2909(4), Idaho~~  
40 ~~Code. In the event that the agency determines that current tax year revenues~~  
41 ~~are sufficient to cover all estimated expenses for the current year and all~~  
42 ~~future years, by September 1 the agency shall adopt a resolution advising and~~  
43 ~~notifying the local governing body, the county auditor, and the state tax~~  
44 ~~commission and recommending the adoption of an ordinance for termination of~~  
45 ~~the revenue allocation area by December 31 of the current year and declaring~~  
46 ~~a surplus to be distributed as described in section 50-2909, Idaho Code,~~  
47 ~~should a surplus be determined to exist. The agency shall cause the ordi-~~  
48 ~~nance to be filed with the office of the county recorder and the Idaho state~~  
49 ~~tax commission as provided in section 63-215, Idaho Code. Upon notification~~

1 ~~of revenues sufficient to cover expenses as provided herein, the increment~~  
2 ~~value of that revenue allocation area shall be included in the net taxable~~  
3 ~~value of the appropriate taxing districts when calculating the subsequent~~  
4 ~~property tax levies pursuant to section 63-803, Idaho Code. The increment~~  
5 ~~value shall also be included in subsequent notification of taxable value for~~  
6 ~~each taxing district pursuant to section 63-1312, Idaho Code, and subsequent~~  
7 ~~certification of actual and adjusted market values for each school district~~  
8 ~~pursuant to section 63-315, Idaho Code.~~

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

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

19 (8) "Deteriorated area" means:

20 (a) Any area, including a slum area, in which there is a predominance  
21 of buildings or improvements, whether residential or nonresidential,  
22 which by reason of dilapidation, deterioration, age or obsolescence,  
23 inadequate provision for ventilation, light, air, sanitation, or open  
24 spaces, high density of population and overcrowding, or the existence  
25 of conditions which endanger life or property by fire and other causes,  
26 or any combination of such factors, is conducive to ill health, trans-  
27 mission of disease, infant mortality, juvenile delinquency, or crime,  
28 and is detrimental to the public health, safety, morals or welfare.

29 (b) Any area which by reason of the presence of a substantial number of  
30 deteriorated or deteriorating structures, predominance of defective or  
31 inadequate street layout, faulty lot layout in relation to size, ade-  
32 quacy, accessibility or usefulness, insanitary or unsafe conditions,  
33 deterioration of site or other improvements, diversity of ownership,  
34 tax or special assessment delinquency exceeding the fair value of the  
35 land, defective or unusual conditions of title, or the existence of con-  
36 ditions which endanger life or property by fire and other causes, or any  
37 combination of such factors, results in economic underdevelopment of  
38 the area, substantially impairs or arrests the sound growth of a munici-  
39 pality, retards the provision of housing accommodations or constitutes  
40 an economic or social liability and is a menace to the public health,  
41 safety, morals or welfare in its present condition and use.

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

48 (d) Any area which the local governing body certifies is in need of  
49 redevelopment or rehabilitation as a result of a flood, storm, earth-  
50 quake, or other natural disaster or catastrophe respecting which the

1 governor of the state has certified the need for disaster assistance  
2 under any federal law.

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

7 (f) Provided however, this definition shall not apply to any agricul-  
8 tural operation, as defined in section 22-4502(1), Idaho Code, absent  
9 the consent of the owner of the agricultural operation, except for an  
10 agricultural operation that has not been used for three (3) consecutive  
11 years.

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

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

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

22 (12) "Plan" or "urban renewal plan" means a plan, as it exists or may  
23 from time to time be amended, prepared and approved pursuant to section  
24 50-2008, Idaho Code, and any method or methods of financing such plan, which  
25 methods may include revenue allocation financing provisions.

26 (13) "Project" or "urban renewal project" or "competitively disadvan-  
27 taged border areas" may include undertakings and activities of a municipal-  
28 ity in an urban renewal area for the elimination of deteriorated or deterio-  
29 rating areas and for the prevention of the development or spread of slums and  
30 blight, and may involve slum clearance and redevelopment in an urban renewal  
31 area, or rehabilitation or conservation in an urban renewal area, or any com-  
32 bination or part thereof in accordance with an urban renewal plan. Such un-  
33 dertakings and activities may include:

34 (a) Acquisition of a deteriorated area or a deteriorating area or por-  
35 tion thereof;

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

37 (c) Installation, construction, or reconstruction of streets, utili-  
38 ties, parks, playgrounds, open space, off-street parking facilities,  
39 public facilities, public recreation and entertainment facilities or  
40 buildings and other improvements necessary for carrying out, in the ur-  
41 ban renewal area or competitively disadvantaged border community area,  
42 the urban renewal objectives of this act in accordance with the urban  
43 renewal plan or the competitively disadvantaged border community area  
44 ordinance.

45 (d) Disposition of any property acquired in the urban renewal area or  
46 the competitively disadvantaged border community area (including sale,  
47 initial leasing or retention by the agency itself) or the municipality  
48 creating the competitively disadvantaged border community area at its  
49 fair value for uses in accordance with the urban renewal plan except for  
50 disposition of property to another public body;



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

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

9 (g) Acquisition of any other real property in the urban renewal area  
10 or competitively disadvantaged border community area where necessary  
11 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-  
12 sity, eliminate obsolete or other uses detrimental to the public wel-  
13 fare, or otherwise to remove or to prevent the spread of blight or dete-  
14 rioration, or to provide land for needed public facilities or where nec-  
15 essary to accomplish the purposes for which a competitively disadvan-  
16 taged border community area was created by ordinance;

17 (h) Lending or investing federal funds; and

18 (i) Construction of foundations, platforms and other like structural  
19 forms.

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

21 (a) Capital costs, including the actual costs of the construction of  
22 public works or improvements, facilities, buildings, structures, and  
23 permanent fixtures; the demolition, alteration, remodeling, repair or  
24 reconstruction of existing buildings, structures, and permanent fix-  
25 tures; the acquisition of equipment; and the clearing and grading of  
26 land;

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

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

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

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

38 (f) Relocation costs;

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

40 (15) "Revenue allocation area" means that portion of an urban renewal  
41 area or competitively disadvantaged border community area the equalized  
42 assessed valuation (as shown by the taxable property assessment rolls) of  
43 which the local governing body has determined, on and as a part of an urban  
44 renewal plan, is likely to increase as a result of the initiation of an urban  
45 renewal project or competitively disadvantaged border community area. The  
46 base assessment roll or rolls of revenue allocation area or areas shall not  
47 exceed at any time ten percent (10%) of the current assessed valuation of all  
48 taxable property within the municipality.

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

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

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

6 (19) "Taxing district" means a taxing district as defined in section  
7 63-201, Idaho Code, as that section now exists or may hereafter be amended.

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

15 SECTION 5. That Chapter 29, Title 50, Idaho Code, be, and the same is  
16 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
17 ignated as Section 50-2903A, Idaho Code, and to read as follows:

18 50-2903A. ANNUAL BUDGET -- BUDGET FOR PLAN TERMINATION -- STATEMENT OF  
19 EXCESS REVENUE ALLOCATION FUNDS. (1) An agency shall, by September 30 of  
20 each calendar year, except as set forth in subsection (2) of this section,  
21 adopt and publish as described in section 50-1002, Idaho Code, a budget for  
22 the next fiscal year. An agency may amend its adopted budget using the same  
23 procedures as used for adoption of the budget.

24 (2) For the fiscal year that immediately predates the termination date  
25 for an urban renewal plan involving a revenue allocation area or will include  
26 the termination date, the agency shall, by September 1, adopt and publish a  
27 budget specifically for the projected revenues and expenses of the plan and  
28 make a determination as to whether the revenue allocation area can be termi-  
29 nated before January 1 of the termination year pursuant to the terms of sec-  
30 tion 50-2909(4), Idaho Code.

31 (3) In the event that the agency determines that current tax year rev-  
32 enues are sufficient to cover all estimated expenses for the current year and  
33 all future years, by September 1, the agency shall adopt a resolution advis-  
34 ing and notifying the local governing body, the county auditor and the state  
35 tax commission and recommending the adoption of an ordinance for termination  
36 of the revenue allocation area by December 31 of the current year and declar-  
37 ing a surplus to be distributed as described in section 50-2909, Idaho Code,  
38 should a surplus be determined to exist. The agency shall cause the ordi-  
39 nance to be filed with the office of the county recorder and the Idaho state  
40 tax commission as provided in section 63-215, Idaho Code. Upon notification  
41 of revenues sufficient to cover expenses as provided herein, the increment  
42 value of that revenue allocation area shall be included in the net taxable  
43 value of the appropriate taxing districts when calculating the subsequent  
44 property tax levies pursuant to section 63-803, Idaho Code. The increment  
45 value shall also be included in subsequent notification of taxable value for  
46 each taxing district pursuant to section 63-1312, Idaho Code, and subsequent  
47 certification of actual and adjusted market values for each school district  
48 pursuant to section 63-315, Idaho Code.

1 (4) An agency shall, by March 31 of each calendar year, prepare and  
2 adopt a revenue allocation funds statement identifying any revenue allo-  
3 cation funds in excess of the amount of revenue allocation funds necessary  
4 for the agency to meet its financial obligations as of September 30 of the  
5 prior year. Any excess revenue allocation funds identified by the agency  
6 in the statement shall be distributed pro rata to the taxing districts no  
7 later than October 31. For purposes of this subsection: the term "financial  
8 obligations" shall mean all agency indebtedness including bonds, notes and  
9 any other obligations; contract obligations; working capital for operat-  
10 ing expenses; capital improvements; and projects identified by the urban  
11 renewal plan with sufficient specificity describing the project, time of  
12 development and cost.

13 (a) The revenue allocation funds statement shall include:

14 (i) Description and amounts of all financial obligations;

15 (ii) Description and amounts of remaining improvements or  
16 projects identified by the agency in the urban renewal plan with  
17 sufficient specificity describing the project, time of develop-  
18 ment and cost;

19 (iii) Identification of the estimated amount necessary to achieve  
20 any adopted fiscal policies;

21 (iv) A statement evidencing any agency intent to amend to add ad-  
22 ditional improvements or projects not identified in the urban re-  
23 newal plan;

24 (v) A statement notifying of an agency's intent to terminate an  
25 urban renewal plan as described in subsection (2) of this section.

26 (b) The agency shall, by April 30, prepare and publish a notice stat-  
27 ing that the agency has prepared a revenue allocation funds statement  
28 and the place where the notice can be viewed by the public. A copy of the  
29 notice and of the revenue allocation funds statement shall be mailed to  
30 the involved taxing districts, the mayor, the city council and any re-  
31 questing party.

32 (c) Upon receipt of the April 30 notice and copy of the revenue allo-  
33 cation funds statement, the city council shall publish notice for a  
34 regular meeting whereat the council shall review the revenue allocation  
35 funds statement and hold a hearing for public comment thereon. If the  
36 council, by a two-thirds (2/3) vote, determines that additional excess  
37 revenue allocation funds exist that were not identified by the agency  
38 for distribution pro rata to the taxing districts, the council may order  
39 those funds distributed in whole or in part pro rata to the taxing dis-  
40 tricts.

41 SECTION 6. That Section 50-2904, Idaho Code, be, and the same is hereby  
42 amended to read as follows:

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

1 community area or thereafter as a modification of an urban renewal plan or the  
2 ordinance creating the competitively disadvantaged border community area.  
3 Urban renewal plans existing prior to the effective date of this section  
4 may be modified to include a revenue allocation financing provision. Ex-  
5 cept as provided in subsections (1), (2), ~~and~~ (3) and (4) of this section,  
6 no revenue allocation provision of an urban renewal plan or competitively  
7 disadvantaged border community area ordinance, including all amendments  
8 thereto, shall have a duration exceeding twenty-four (24) years from the  
9 date the ordinance is approved by the municipality; and provided further,  
10 no additions to the land area of an existing revenue allocation area shall  
11 be interpreted to or shall cause an extension of the date of the twenty-four  
12 (24) year limit that was originally established for the revenue allocation  
13 area. Notwithstanding these limitations, the duration of the revenue allo-  
14 cation financing provision may be extended if:

15 (1) The maturity date of any bonds issued to provide funds for a spe-  
16 cific project in the revenue allocation area and payable from the revenue al-  
17 location financing provision exceeds the duration of the revenue allocation  
18 financing provision, provided such bond maturity is not greater than ~~thirty~~  
19 ~~(30)~~ twenty-four (24) years; or

20 (2) The urban renewal agency determines that it is necessary to refi-  
21 nance outstanding bonds payable from the revenue allocation financing pro-  
22 vision to a maturity exceeding the twenty-four (24) year duration of the  
23 revenue allocation financing provision in order to avoid a default on the  
24 bonds; or

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

32 (4) The local governing body has adopted an urban renewal plan or com-  
33 petitively disadvantaged border community area ordinance or an amendment to  
34 an urban renewal plan or competitively disadvantaged border community area  
35 ordinance after July 1, 2000, and prior to July 1, 2011, in which is defined  
36 the duration of the plan beyond a period of twenty (20) years and not to ex-  
37 ceed twenty-four (24) years. The duration of the revenue allocation financ-  
38 ing provision may be extended if:

39 (a) The maturity date of any bonds issued to provide funds for a spe-  
40 cific project in the revenue allocation area and payable from the  
41 revenue allocation financing provision exceeds the duration of the rev-  
42 enue allocation financing provision, provided such bond maturity is not  
43 greater than thirty (30) years; or

44 (b) The urban renewal agency determines that it is necessary to refi-  
45 nance outstanding bonds payable from the revenue allocation financing  
46 provision to a maturity exceeding the twenty-four (24) year duration of  
47 the revenue allocation financing provision in order to avoid a default  
48 on the bonds; or

49 (45) During the extensions set forth in subsections (1) and (2) of  
50 this section, any revenue allocation area revenues exceeding the amount

1 necessary to repay the bonds during the period exceeding the ~~twenty-four~~  
2 ~~(24)~~ maximum year maturity of the revenue allocation financing provision  
3 shall be returned to the taxing districts in the revenue allocation area on  
4 a pro rata basis.

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