

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 593

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO COMMUNITY INFRASTRUCTURE DISTRICTS; AMENDING SECTION 50-3102,
2 IDAHO CODE, TO REVISE CERTAIN DEFINITIONS AND TO MAKE A TECHNICAL COR-
3 RECTION; AMENDING SECTION 50-3103, IDAHO CODE, TO REVISE PROVISIONS
4 RELATING TO NOTICE AND TO PROVIDE A CORRECT CODE REFERENCE; AMENDING
5 SECTION 50-3104, IDAHO CODE, TO REVISE PROVISIONS RELATING TO THE MAN-
6 AGER, TREASURER AND CLERK OF A DISTRICT AND TO MAKE A TECHNICAL CORREC-
7 TION; AMENDING SECTION 50-3108, IDAHO CODE, TO PROVIDE THAT IN NO EVENT
8 SHALL THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF GENERAL OBLIGATION
9 BONDS AND ANY OTHER INDEBTEDNESS FOR WHICH THE FULL FAITH AND CREDIT OF
10 THE DISTRICT ARE PLEDGED EXCEED NINE PERCENT OF THE ACTUAL OR ADJUSTED
11 MARKET VALUE FOR ASSESSMENT PURPOSES ON CERTAIN PROPERTY AS SUCH VALU-
12 ATION EXISTED ON A CERTAIN DATE; AMENDING SECTION 50-3109, IDAHO CODE,
13 TO REVISE PROVISIONS RELATING TO A PETITION AND TO REVISE PROVISIONS
14 RELATING TO THE ADOPTION OF A CERTAIN RESOLUTION; AND AMENDING SECTION
15 50-3119, IDAHO CODE, TO REVISE PROVISIONS RELATING TO CERTAIN APPEALS.
16

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

18 SECTION 1. That Section 50-3102, Idaho Code, be, and the same is hereby
19 amended to read as follows:

20 50-3102. DEFINITIONS. As used in this chapter, the following terms
21 shall have the meanings as stated:

22 (1) "Assessment area" means real property within the boundaries of a
23 community infrastructure district that is the subject of a specific special
24 assessment as set forth in this chapter.

25 (2) "Community infrastructure" means improvements that have a substan-
26 tial nexus to the district and directly or indirectly benefit the district.
27 Community infrastructure excludes public improvements fronting individual
28 single family residential lots. Community infrastructure includes plan-
29 ning, design, engineering, construction, acquisition or installation of
30 such infrastructure, including the costs of applications, impact fees and
31 other fees, permits and approvals related to the construction, acquisition
32 or installation of such infrastructure, and incurring expenses incident to
33 and reasonably necessary to carry out the purposes of this chapter. Com-
34 munity infrastructure includes all public facilities as defined in section
35 67-8203(24), Idaho Code, and, to the extent not already included within the
36 definition in section 67-8203(24), Idaho Code, the following:

37 (a) Highways, parkways, expressways, interstates, or other such desig-
38 nation, interchanges, bridges, crossing structures, and related appur-
39 tenances;

40 (b) Public parking facilities, including all areas for vehicular use
41 for travel, ingress, egress and parking;

1 (c) Trails and areas for pedestrian, equestrian, bicycle or other non-
2 motor vehicle use for travel, ingress, egress and parking;

3 (d) Public safety facilities;

4 (e) Acquiring interests in real property for community infrastructure;

5 (f) Financing costs related to the construction of items listed in this
6 subsection; and

7 (g) Impact fees.

8 (3) "Community infrastructure segment" means a separate or a dis-
9 cernible portion of a construction contract attributable to community
10 infrastructure.

11 (4) "Debt service" means the principal of, interest on and premium, if
12 any, on the bonds, when due, whether at maturity or prior redemption and fees
13 and costs of registrars, trustees, paying agents or other agents necessary
14 to handle the bonds and the costs of credit enhancement or liquidity support.

15 (5) "District" means a community infrastructure district formed pur-
16 suant to this chapter. A district shall only include contiguous property at
17 the time of formation. Land that is connected by only a shoestring or strip
18 of land which comprises a railroad or highway right-of-way shall not be con-
19 sidered contiguous for the purposes of this chapter. Subsequent to a dis-
20 trict's formation, a district may include noncontiguous property but only
21 as the same shall be if specifically determined and by the district board
22 to have a substantial nexus to the initial district or to the community in-
23 frastructure contemplated by the initial district, and then authorized by
24 the district board in its discretion and pursuant to section 50-3106, Idaho
25 Code.

26 (6) "District board" means the board of directors of the district.

27 (7) "District development agreement" means an agreement between a
28 property owner or developer, the county or city, any other political subdivi-
29 sion of the state, and/or the district. A district development agreement
30 shall be used to establish obligations of the parties to the agreement re-
31 lating to district financing and development, including: intergovernmental
32 agreements; the ultimate public ownership of the community infrastructure
33 financed by the district; the understanding of the parties with regard to
34 future annexations of property into the district; the total amount of bonds
35 to be issued by the district and the property taxes and special assessments
36 to be levied and imposed to repay the bonds and the provisions regarding
37 the disbursement of bond proceeds; the financial assurances, if any, to be
38 provided with respect to the bonds; impact and other fees imposed by govern-
39 mental authorities, including credit, prepayment and/or reimbursement with
40 respect thereto; and other matters relating to the community infrastruc-
41 ture, such as construction, acquisition, planning, design, inspection, own-
42 ership and control. A district development agreement shall be in addition
43 to and shall not supplant any development agreement entered into pursuant to
44 section 67-6511A, Idaho Code, pursuant to which a governing body may require
45 or permit as a condition of rezoning that an owner or developer make a written
46 commitment concerning the use or development of the subject parcel.

47 (8) "General plan" means the general plan described in section
48 50-3103(1), Idaho Code, as the plan may be amended from time to time.

49 (9) "Governing body" means the county commissioners or city council
50 that by law is constituted as the governing body of the county or city in

1 which the district is located. Reference in this chapter to "governing body
2 or bodies" shall mean the governing body or bodies of each county and city in
3 which the district is located.

4 (10) "Owner" means the person listed as the owner of real property
5 within the district or a proposed district on the current property rolls
6 in effect at the time that the action, proceeding, hearing or election has
7 begun; provided however, that if a person listed on the property rolls is no
8 longer the owner of real property within the district or a proposed district
9 and the name of the successor owner becomes known and is verified by recorded
10 deed or other similar evidence of transfer of ownership, the successor owner
11 shall be deemed to be the owner for the purposes of this chapter.

12 (11) "Market value for assessment purposes" means the amount of the
13 last preceding equalized assessment of all taxable property and excludes
14 all property exempt from taxation pursuant to section 63-602G, Idaho Code,
15 within the community infrastructure district on the tax rolls completed and
16 available as of the date of approval in the district bond issuance.

17 (12) "Person" means any entity, individual, corporation, partnership,
18 firm, association, limited liability company, limited liability partner-
19 ship, trust or other such entities as recognized by the state of Idaho. A
20 "person in interest" is any person who is a qualified elector in the dis-
21 trict, who is an owner of real property in the district or who is a real prop-
22 erty taxpayer in the district.

23 (13) "Qualified elector" means a person who possesses all of the quali-
24 fications required of electors under the general laws of the state of Idaho
25 and:

26 (a) Resides within the boundaries of a district or a proposed district
27 and who is a qualified elector. For purposes of this chapter, such elec-
28 tor shall also be known as a "resident qualified elector"; or

29 (b) Is an owner of real property that is located within the district or a
30 proposed district, who is not a resident qualified elector as set forth
31 above. For purposes of this chapter, such elector shall also be known as
32 an "owner qualified elector."

33 (14) "Special assessment" means an assessment imposed upon real prop-
34 erty located within an assessment area for a specific purpose and of a
35 special benefit to the affected property, collected and enforced in the same
36 manner as property taxes, that may be apportioned according to the direct
37 or indirect special benefits conferred upon the affected property, as well
38 as any or any combination of the following: acreage, square footage, front
39 footage, the cost of providing community infrastructure for the affected
40 property, or any other reasonable method as determined by the district
41 board.

42 SECTION 2. That Section 50-3103, Idaho Code, be, and the same is hereby
43 amended to read as follows:

44 50-3103. CREATION OF DISTRICT. (1) The process for the creation and
45 organization of a community infrastructure district shall be initiated by a
46 petition signed by not less than two-thirds (2/3) of the district residents
47 or by all of the owners of all the lands located in the proposed district.
48 The petition shall be filed with the clerk of the governing body in which the
49 proposed district will be located. If the proposed district will be located

1 within two (2) or more counties and/or cities, a petition conforming to the
2 requirements of this section shall be filed with the clerk of each jurisdic-
3 tion's governing body. The petition shall state the name of the proposed
4 district and the purpose for which it is formed, state that the formation
5 of the district shall entitle the district to impose special assessments,
6 levy property taxes and impose fees or charges to pay the cost of providing
7 services, and shall be accompanied by a map depicting the boundaries of the
8 proposed district, a legal description of the proposed district and a copy
9 of the proposed general plan. The general plan shall describe or identify
10 the community infrastructure to be financed by the district, the locations
11 of the infrastructure and the estimated cost thereof, the proposed financ-
12 ing methods and the anticipated special assessments, tax levies or other
13 charges, the approvals obtained pursuant to section 50-3101(34), Idaho
14 Code, and may include possible alternatives, modifications or substitutions
15 concerning locations, improvements, financing methods and other informa-
16 tion provided in the general plan. The petition shall also include copies of
17 any proposed district development agreement. The petition, together with
18 all maps and other papers filed therewith, shall be open to public inspection
19 in the office of the clerk in each county or city in which the petition is
20 filed, during such business hours as the clerk may direct.

21 (2) Upon the filing of a petition, the governing body shall give notice
22 of the filing of the petition and of the time and place set for a public hear-
23 ing on the petition, which hearing shall be at a regular or special meeting
24 held within not less than thirty (30) days nor more than ninety (90) days af-
25 ter the date of the filing of the petition. A notice of the time of the pub-
26 lic hearing shall be published by the governing body twice, the first time
27 not less than twelve (12) days prior to the hearing and the second time not
28 less than five (5) days prior to the hearing, in a newspaper of general cir-
29 culation in each county or city in which the proposed district will be lo-
30 cated. A copy of such notice shall also be mailed to each district resi-
31 dent and each owner of real property in the district if known or such owner's
32 agent if known, addressed to such person at his or her post office address
33 if known or, if unknown, to a post office in the county or city where the
34 district is located. Ownership of real property shall be determined as of
35 the date of the adoption of the resolution ordering the hearing. The no-
36 tice shall state that a community infrastructure district is proposed to be
37 formed, giving the proposed boundaries thereof, and that any person who is
38 a resident of or a real property taxpayer within the proposed district may,
39 on the date fixed for the public hearing, appear and offer any testimony and
40 submit written testimony prior thereto pertaining to the formation of the
41 district and the proposed boundaries thereof. If the district will be lo-
42 cated within two (2) or more counties and/or cities, the governing bodies of
43 such counties and/or cities shall coordinate their efforts and shall either
44 hold a public hearing in each county or city in which the proposed district
45 will be located, or hold a single public meeting in such county or city as
46 the governing bodies shall unanimously agree. The notice shall also state
47 that any political subdivision of this state within whose jurisdiction the
48 proposed district will be located, including, without limitation, a highway
49 district, a school district, a fire district or an ambulance district, may,
50 on the date fixed for the public hearing, appear and offer testimony and sub-

1 mit written testimony prior thereto pertaining to the formation of the dis-
2 trict and the proposed boundaries thereof. After hearing and considering
3 any and all of the testimony given, the governing body shall thereupon ap-
4 prove a resolution either denying the petition or granting the same and, if
5 granting the same, shall fix and describe in the resolution the boundaries
6 of the proposed district and order the formation of the same. A resolution
7 granting the petition may also include the approval of any district devel-
8 opment agreement that has been approved by the governing body in the process
9 of considering and approving the formation of the district. The boards of
10 county commissioners and/or the city councils, as such governing bodies, are
11 hereby specifically authorized to act in a joint manner for such purposes.

12 (3) Whenever a petition shall be filed as provided for in this section,
13 the petitioner or petitioners shall deposit with each governing body a sum
14 sufficient to defray the costs of publication and mailing of notice of the
15 public hearing. In the event the district is formed, said petitioner or pe-
16 titioners shall be entitled to be reimbursed such sum from the district, as
17 a district formation cost related to the community infrastructure, from the
18 district when moneys are available to the district. The amount required to
19 be paid under this subsection shall be determined by each governing body and
20 deposited before publication of the notice.

21 (4) The governing body may charge the petitioner or petitioners a rea-
22 sonable fee for the governing body to retain outside advisors to assist the
23 governing body in its consideration of the formation of the district. In the
24 event the district is formed, the petitioner or petitioners shall be enti-
25 tled to be reimbursed such fee from the district, as a district formation
26 cost related to the community infrastructure, when moneys are available to
27 the district.

28 SECTION 3. That Section 50-3104, Idaho Code, be, and the same is hereby
29 amended to read as follows:

30 50-3104. DISTRICT ORGANIZATION. (1) If the petition for formation
31 of the district is granted, the district shall comply with the filing and
32 recording requirements of section 63-215, Idaho Code, and shall also cause a
33 copy of the applicable resolution to be delivered to the county assessor of
34 each county in which the district is located, cause a copy of the applicable
35 resolution to be recorded with the county clerk in each county in which the
36 district is located, and cause a copy of the applicable resolution to be
37 filed with the state tax commission.

38 (2) Members of the governing body or bodies at the time of formation
39 shall serve as the district board. If the district is located entirely
40 within the boundaries of a city, three (3) members of the city council chosen
41 by the city council shall serve as the district board. If the district is lo-
42 cated entirely within the boundaries of a county and outside the boundaries
43 of any city, the county commissioners of the county in which the district
44 is located shall serve as the district board. If the district is located
45 within the jurisdiction of more than one (1) governing body, two (2) members
46 of each governing body shall be appointed by that governing body to serve
47 on the district board and, in addition, the governing body within whose ju-
48 risdiction the largest land area of the district is located shall appoint
49 another member from its governing body to serve as an additional member of

1 the district board, so that the district board will always be comprised of
2 an odd number of members. For purposes of determining which jurisdiction
3 has such largest land area, the land area in the district that is within the
4 incorporated city limits shall be considered as being the land area of the
5 city, and shall not be considered as part of the land area of the county in
6 which the city is located. If an area is added to the district pursuant to
7 section 50-3106(2), Idaho Code, and such area is located in a city or county
8 not already represented on the district board, or if the addition of such
9 area changes the jurisdiction in which the largest land area of the district
10 is located, the membership of the district board, at the time of addition of
11 such area, shall be adjusted in conformity with the foregoing. If an area
12 is deleted from the district pursuant to section 50-3106(1), Idaho Code,
13 and, as a result, a county or city no longer has area within the district,
14 or such deletion changes the jurisdiction in which the largest land area of
15 the district is located, the membership of the district board, at the time of
16 deletion of such area, shall be adjusted in conformity with the foregoing.
17 If an area is annexed or deannexed by a city and, as a result, the jurisdic-
18 tion of a county or city is changed, the membership of the district board at
19 the time of such annexation or deannexation shall be adjusted in conformity
20 with the foregoing. The boards of county commissioners and the city coun-
21 cils, as such governing bodies, are hereby specifically authorized to act in
22 a joint manner for such purposes.

23 (3) Within thirty (30) days after the date of the resolution ordering
24 formation of the district, and annually thereafter, the district board shall
25 meet and elect a chairman and vice-chairman to act as the officers of the
26 district board. The district board shall, unless otherwise agreed to by a
27 majority of the board, meet in the county or city within which the largest
28 land area of the district is located. The district shall keep the following
29 records, which shall be open to public inspection:

- 30 (a) Minutes of all meetings of the district board;
- 31 (b) All resolutions;
- 32 (c) Accounts showing all moneys received and disbursed;
- 33 (d) The annual budget; and
- 34 (e) All other records required to be maintained by law.

35 (4) The district manager shall be the manager or equivalent of the
36 city or county, the district treasurer shall be the treasurer of the city or
37 county, the district clerk shall be the district clerk of the city or county,
38 respectively, unless the district board engages an outside firm to perform
39 the tasks of the district's manager, treasurer and clerk as well as other
40 duties as may be prescribed by the district board. Where a district contains
41 multiple county or city jurisdictions, the board shall designate by resolu-
42 tion the manager, treasurer and clerk.

43 (5) The district manager shall have charge and supervision of the daily
44 operations of the district. The district manager may hire or otherwise em-
45 ploy and terminate the employment of such persons, including professional,
46 supervisory and clerical employees, as may be necessary and authorized by
47 the board.

48 (6) The treasurer of the district shall have such duties as the dis-
49 trict board may prescribe, together with the duty to keep account with the
50 district; to place to the credit of the district all moneys received by him

1 or her from the collection of special assessments, taxes or from any other
 2 sources, and all other moneys belonging to the district, and to pay over all
 3 moneys belonging to the district on legally drawn warrants or orders of the
 4 district board.

5 (7) The clerk of the district shall have such duties as the district
 6 board may prescribe, together with the duty to conduct district elections
 7 and to prepare and distribute legal notices.

8 (8) The district shall be separate and apart from any county or city.
 9 The members of the district board, when serving in their official capacity as
 10 members of the district board, shall act on behalf of the district and not as
 11 members of a board of county commissioners or as members of a city council.

12 (9) The district board shall administer in a reasonable manner the im-
 13 plementation of the general plan.

14 (10) The district shall exist until dissolved pursuant to section
 15 50-3116, Idaho Code.

16 SECTION 4. That Section 50-3108, Idaho Code, be, and the same is hereby
 17 amended to read as follows:

18 50-3108. GENERAL OBLIGATION BONDS -- ELECTION -- MAXIMUM INDEBTEDNESS
 19 ALLOWED -- LEVY. (1) After district formation, whenever the district board
 20 shall deem it advisable to issue general obligation bonds of the district,
 21 the district board shall provide therefor by resolution, which resolution
 22 shall specify and set forth the community infrastructure and other costs and
 23 expenses approved by the district board consistent with the general plan to
 24 be financed with the bonds, and make provision for the collection of an an-
 25 nual tax sufficient to pay the interest on the bonds as it falls due, and also
 26 to constitute a sinking fund for the payment of the principal thereof as re-
 27 quired by the constitution and laws of the state of Idaho.

28 (2) The resolution shall also provide for holding an election, held
 29 in compliance with section 50-3112, Idaho Code, to submit to the qualified
 30 electors of the district the question of authorizing the district to issue
 31 general obligation bonds of the district to provide money for said community
 32 infrastructure consistent with the general plan. The ballot used in such
 33 election shall be in form substantially as follows: "In favor of issuing
 34 bonds to the amount of dollars for the purpose stated in Resolu-
 35 tion No. ...," and "Against issuing bonds to the amount of dollars
 36 for the purpose stated in Resolution No. ...".

37 (3) If two-thirds (2/3) of the qualified electors at such election
 38 assent to the issuing of the bonds and the incurring of the indebtedness
 39 thereby created for the purpose aforesaid, the district board shall there-
 40 upon be authorized to issue and create such indebtedness in the manner and
 41 for the purposes specified in said resolution, and the bonds shall be issued
 42 and sold in the manner provided by the laws of the state of Idaho, and the
 43 district board by further resolution shall be entitled to issue and sell
 44 the bonds in series or divisions up to the authorized amount without the
 45 further vote of the qualified electors, and to issue and sell such bonds at
 46 such times and in such amounts as the district board deems appropriate to
 47 carry out a community infrastructure project or projects in phases; pro-
 48 vided however, that before any issuance of the bonds, including issuance in
 49 series or divisions and, in addition to such other determinations made by

1 the district board as it may deem reasonable and prudent, the district board
2 shall also determine whether reasonable financial assurance for the payment
3 of the debt service on the bonds through additional collateral, payment
4 guarantee or otherwise shall be required from a developer. The developer
5 shall be consulted and shall be given a reasonable period of time within
6 which to appear, either in person or in writing, and respond to any proposed
7 financial assurance. If, following such developer's response, the district
8 board determines that reasonable financial assurance shall be required, the
9 district board shall specify the type and amount of the financial assurance
10 required in its resolution.

11 (4) In no event shall the aggregate outstanding principal amount of
12 general obligation bonds and any other indebtedness for which the full faith
13 and credit of the district are pledged exceed ~~twelve~~ nine percent (~~12~~9%) of
14 the actual or adjusted market value for assessment purposes on all taxable
15 real property within the district as such valuation existed on December 31
16 of the previous year.

17 (5) After the bonds are issued, the district shall enter in its minutes
18 a record of the bonds sold and their number and dates and shall periodically
19 collect the pledged revenues to pay the debt service on the bonds when due.

20 (6) Bond proceeds received by the district shall be held in a segregated
21 account and shall be disbursed therefrom only for:

22 (a) The payment of community infrastructure and/or community in-
23 frastructure segments approved by the district board and actually
24 completed; or

25 (b) For the purpose of reimbursing actually paid expenditures relating
26 to community infrastructure as approved by the district board; provided
27 however, that lien releases with respect to the payment made must be ob-
28 tained from the underlying providers of labor, work, services or mate-
29 rials as a condition to such payment; or

30 (c) For the payment or reimbursement of governmentally imposed impact
31 fees as approved by the district board.

32 (7) Completion of community infrastructure may be phased and payment
33 made pursuant to a draw schedule. Bond proceeds shall be expended on the com-
34 munity infrastructure within three (3) years after issuance. Prior to is-
35 suance of the bonds, the district board shall determine that such bond pro-
36 ceeds can reasonably be expended within that time.

37 (8) Each year, prior to the time for the certification required under
38 section 50-3114, Idaho Code, the district board shall levy a tax upon all
39 taxable real property within the district, sufficient, together with any
40 money from the sources described in section 50-3107(3), Idaho Code, to pay
41 debt service on the bonds when due. The levy shall be made by resolution
42 entered upon the minutes of the district board, and it shall be the duty of
43 the clerk of the district, immediately after entry of the resolution in the
44 minutes, to transmit to the board of county commissioners in each county
45 in which the district is located the certification required under section
46 50-3114, Idaho Code. Such tax levied shall then be collected and accounted
47 for at the time and in the form and manner as other taxes are collected and
48 accounted for under the laws of this state. Moneys derived from the levy of
49 property taxes to pay the debt service on the bonds shall be kept separately

1 from other funds of the district. A district's levy of property taxes shall
2 constitute a lien on all taxable real property within the district.

3 (9) The district may issue and sell refunding bonds to refund general
4 obligation bonds of the district authorized by this section. The principal
5 amount of the refunding bonds may be more or less than the principal amount of
6 the bonds being refunded, provided that the proceeds of the refunding bonds
7 are used only for refunding purposes and payment of the costs thereof, and
8 the total obligation of the district is not increased, that is, if the amount
9 of the refunding bonds is more than the principal amount of the bonds being
10 refunded, issuance of the refunding bonds will result in a net present value
11 savings to the district. No election shall be required in connection with
12 the issuance and sale of such refunding bonds. Refunding bonds issued pur-
13 suant to this section shall have a final maturity date no later than the final
14 maturity date of the bonds being refunded.

15 SECTION 5. That Section 50-3109, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 50-3109. SPECIAL ASSESSMENTS -- BONDS. (1) After district formation,
18 upon the submission of a petition signed by all no fewer than two-thirds
19 (0.6667) of the owners of all the lands located in a proposed assessment
20 area, ~~or whenever the district board shall deem it advisable,~~ the district
21 board shall adopt a resolution ordering that a hearing be held to determine
22 whether a special assessment should be imposed and special assessment bonds
23 be issued to provide money for community infrastructure consistent with the
24 general plan and the exercise by the district board of any of its powers under
25 section 50-3105, Idaho Code.

26 (2) Notice of the hearing shall be posted in three (3) public places
27 within the boundaries of the district not less than thirty (30) days before
28 the hearing. Notice of the hearing shall also be published twice, the first
29 time not less than twelve (12) days prior to the hearing and the second time
30 not less than five (5) days prior to the hearing, in a newspaper of general
31 circulation in each county or city in which the district is located. A copy
32 of such notice shall also be mailed to each district resident and each owner
33 of real property in the district if known or such owner's agent if known, ad-
34 dressed to such person at his or her post office address if known or, if un-
35 known, to a post office in the county or city where the district is located.
36 Ownership of real property shall be determined as of the date of the adoption
37 of the resolution ordering the hearing. The notice shall include the follow-
38 ing:

39 (a) A description of the real property to be included within the assess-
40 ment area;

41 (b) A description of the method by which the amount of the proposed spe-
42 cial assessment will be determined for each class of real property to
43 which the special assessment is proposed to apply, in sufficient detail
44 to enable the owner of the affected parcel to determine the amount of the
45 special assessment;

46 (c) A description of the community infrastructure to be financed with
47 special assessment bonds or revenues; and

48 (d) A statement that any person affected by the proposed special as-
49 sessment may object in writing or in person at the hearing.

1 (3) If, after the hearing, the district board finds that it will be for
2 the best interest of the district and the real property within the assessment
3 area that the aggregate fair market value of the real property within the as-
4 sessment area, including the value of the community infrastructure to be fi-
5 nanced or paid for with the special assessments, and the infrastructure for
6 which performance bonds or other financial assurances have been received, is
7 at least three (3) times the aggregate principal amount of the special as-
8 sessment bonds as determined by an MAI appraisal in form and substance ac-
9 ceptable to the district board, the district board shall adopt a resolution
10 approving the imposition of the special assessment and, also by resolution,
11 shall prepare a form of assessment roll numbering each assessment, giving
12 the name, if known, of the owner of each lot or parcel of real property as-
13 sessed, showing the amount chargeable to each such lot or parcel, and find-
14 ing that each such lot or parcel is benefited to the amount of assessment im-
15 posed thereon. Such resolution shall be the final determination of the reg-
16 ularity, validity and correctness of the assessment roll, of each assessment
17 contained therein, and of the amount thereof imposed on each such lot or par-
18 cel. Special assessments may be prepaid and permanently satisfied in whole
19 or in part at any point in time. Prepayment of special assessments shall be
20 paid in cash to the district in the following manner: (i) the interest on
21 such portion to the next date special assessment bonds may be redeemed, plus
22 (ii) the unpaid principal amount of such portion rounded up to the next high-
23 est multiple of one thousand dollars (\$1,000), plus (iii) any premium due on
24 such redemption date with respect to such portion, plus (iv) any administra-
25 tive or other fees charged by the district with respect thereto, less (v) the
26 amount by which any reserve fund associated with the special assessment may
27 be reduced on the redemption date as a result of such prepayment.

28 (4) Special assessment bonds approved at the hearing shall be issued in
29 the manner provided by the laws of the state of Idaho, and the district board
30 by further resolution shall be entitled to issue and sell the bonds in se-
31 ries or divisions up to the authorized amount without further hearing, and to
32 issue and sell such bonds at such times and in such amounts as the district
33 board deems appropriate to carry out a community infrastructure project or
34 projects in phases. Bond proceeds shall be expended on the community infra-
35 structure within three (3) years after issuance. Prior to issuance of the
36 bonds, the district board shall determine that such bond proceeds can rea-
37 sonably be expended within such time.

38 (5) After the bonds are issued, the district board shall enter in its
39 minutes a record of the bonds sold and their numbers and dates and shall pe-
40 riodically collect the pledged revenues to pay the debt service on the bonds
41 when due.

42 (6) Each year, prior to the time for the certification required under
43 section 50-3114, Idaho Code, the district board shall impose a special as-
44 sessment upon the real property within the assessment area of the district
45 that will be subject to the special assessment sufficient, together with any
46 moneys from the sources described in section 50-3107(3), Idaho Code, to pay
47 debt service on the bonds when due, in addition to reasonable costs associ-
48 ated with the collection of the special assessment payments. The special as-
49 sessment shall be made by resolution entered upon the minutes of the district
50 board, and it shall be the duty of the clerk of the district, immediately af-

1 ter entry of the resolution in the minutes, to transmit to the board of county
2 commissioners in each county in which the district is located, the certifi-
3 cation required under section 50-3114, Idaho Code. Such special assessment
4 shall then be collected and accounted for at the time and in the form and man-
5 ner as property taxes are collected and accounted for under the laws of this
6 state. Moneys derived from the imposition of the special assessment to pay
7 the debt service on the bonds shall be kept separately from other moneys of
8 the district.

9 (7) Special assessments against privately owned residential property
10 shall be subject to the following provisions:

11 (a) The maximum amount of any special assessment that may be imposed
12 shall not be increased over time by any amount exceeding two percent
13 (2%) per year, up to a maximum of ten percent (10%);

14 (b) The special assessment shall be imposed for a specified time pe-
15 riod, after which no further special assessment shall be imposed and
16 collected; and

17 (c) Subject to the applicable laws of this state, nothing in this sub-
18 section shall preclude the establishment of different categories of
19 residential property or changing the amount of the special assessment
20 imposed upon a parcel whose size or use is changed. A change in the
21 amount of a special assessment imposed upon a parcel due to a change in
22 its size or use shall not require notice and hearing, if the method for
23 changing the amount of special assessment was approved at the hearing
24 approving the special assessment and was described in sufficient detail
25 to enable the owner of the affected parcel to determine how the change in
26 size or use of the parcel would affect the amount of the special assess-
27 ment.

28 (8) A district's imposition of a special assessment shall constitute a
29 lien on the real property within the assessment area subject to the special
30 assessment, including real property acquired by the state or its political
31 subdivisions after the imposition of the special assessment, which shall be
32 effective during the period in which the special assessment is imposed and
33 shall have a priority coequal to the lien of real property taxes. A special
34 assessment shall be subject to foreclosure by the district in the same man-
35 ner as real property tax liens under the laws of this state, provided that a
36 special assessment shall be subject to foreclosure at any time after thirty
37 (30) days following written notice of delinquency to the owner of the real
38 property to which the delinquency applies. The portion of proceeds of any
39 foreclosure sale necessary to discharge the lien for the special assessment
40 shall be deposited in the special bond fund for payment of any obligations
41 secured thereby.

42 (9) No holder of special assessment bonds issued pursuant to this chap-
43 ter may compel any exercise of the taxing power of the district, county or
44 city to pay the bonds or the interest on the bonds. Special assessment bonds
45 issued pursuant to this chapter are not a debt of the state of Idaho or any po-
46 litical subdivision thereof including the district, county or city, nor is
47 the payment of special assessment bonds enforceable out of any moneys other
48 than the revenue pledged to the payment of the bonds.

49 (10) Subject to the provisions of this section, a district may issue
50 special assessment bonds at such times and in such amounts as the district

1 deems appropriate to carry out a project or projects in phases, and payment
2 may be made pursuant to a draw schedule.

3 (11) The district may issue and sell refunding bonds to refund any spe-
4 cial assessment bonds of the district authorized in this chapter. The prin-
5 cipal amount of the refunding bonds may be more or less than the principal
6 amount of the bonds being refunded, provided the proceeds of the refunding
7 bonds are used only for refunding purposes and payment of the costs thereof,
8 and the total obligation of the district is not increased, that is, if the
9 amount of the refunding bonds is more than the principal amount of the bonds
10 being refunded, issuance of the refunding bonds will result in a net present
11 value savings to the district. No election shall be required in connection
12 with the issuance and sale of such refunding bonds. Refunding bonds issued
13 pursuant to this section shall have a final maturity date no later than the
14 final maturity date of the bonds being refunded.

15 SECTION 6. That Section 50-3119, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 50-3119. APPEAL -- EXCLUSIVE REMEDY -- CONCLUSIVENESS. Any person in
18 interest who feels aggrieved by the final decision of a governing body or a
19 district board in the formation or governing of a district, including, with
20 respect to any tax levy, special assessment or bond, may, within ~~thirty six~~
21 (360) days after such final decision, seek judicial review by filing a writ-
22 ten notice of appeal with the clerk of the district and with the clerk of the
23 district court for the judicial district in which a majority of the land area
24 of the district is located. After said ~~thirty six~~ (360) day period has run,
25 no one shall have any cause or right of action to contest the legality, for-
26 mality or regularity of said decision for any reason whatsoever and, there-
27 after, said decision shall be considered valid and uncontestable and the va-
28 lidity, legality and regularity of any such decision shall be conclusively
29 presumed. With regard to the foregoing, if the question of validity of any
30 bonds issued pursuant to this chapter is not raised on appeal as aforesaid,
31 the authority to issue the bonds, the legality thereof and of the levies or
32 assessments necessary to pay the same shall be conclusively presumed and no
33 court shall thereafter have authority to inquire into such matters.