

## **STATEMENT OF PURPOSE**

### **RS21780**

The purpose of this bill is to amend Idaho Code 50-1707, 1709, and 1710 relating to Local Improvement District (LID) formation rules and cost assessment procedures. This bill changes the requirement to form an LID by providing an assessment against a property may not exceed the actual benefits derived by the property owner. Idaho Code 50-1709 is amended to extend the time to file a written protest to an LID, allowing protests up to 30 days after the hearing. When 50% or more of the owners protest formation of a district, the LID may not proceed. This bill lowers the threshold required to prevent an LID from 66.67% to a 50% majority rule. A finding by the governing board that benefits derived exceed project costs as required by 1707(d) is also required for district formation.

### **FISCAL NOTE**

The fiscal impact of this bill requires governments to exercise closer scrutiny of LID costs and benefits. These costs are controllable and avoidable by planning, as the costs are borne by landowners within a successfully formed LID district. The bill will require more preformation cost-benefit analysis and a majority rule landowner approval. In cases where local government has failed to consider landowner sentiment, they may incur some costs that are largely avoidable.

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