

TAC Item 1: Buildings-2

It has become a consistent practice of Idaho urban renewal agencies to circumvent the Idaho Constitution Article VIII Section 3 "Public Indebtedness" when building public buildings that would otherwise require the approval of the taxpayers of a municipality. This was never the legislative intent of Title 50 chapters 20 or 29, nor was the intent to build buildings for commercial, industrial or any other causes. The intent of Urban Renewal was to eradicate blight and rehabilitate decaying areas of a city in order to prevent crime and danger to the community in order to cause viability and increase the tax base. You were recently provided a discussion by "Smart Growth" identifying the problems and abuse of using tax increment funding (TIF), wherein building buildings, either tax exempt or tax generating were not promoted as a proper use of TIF.

It was the intent of Title 50 chapters 20 and 29 to provide the infrastructure to accommodate the expansion of commerce and employment. To prevent further abuse of the law and to prevent further circumvention of our Constitution title 50-2007(b) "Powers" and 2903 "Definitions" "urban renewal project"(13)(c) have been amended.

50-2007(b) To provide or to arrange or contract for the furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with an urban renewal project; to install, construct, and reconstruct streets, utilities, parks, playgrounds, off-street parking facilities, public facilities, ~~other buildings~~ or public improvements which may include rehabilitation of buildings, but may not include construction of tax exempt buildings or buildings for private use; nor transit systems, public or private; and any improvements necessary or incidental to a redevelopment project; and to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of an urban renewal project and related activities, and to include in any contract let in connection with such a project and related activities, provisions to fulfill such of said conditions as it may deem reasonable and appropriate;

50-2903 (13)(c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, open space, off-street parking facilities, public facilities, public recreation and entertainment facilities ~~or buildings~~ and other improvements necessary for carrying out, in the urban renewal area or competitively disadvantaged border community area, the urban renewal objectives of this act in accordance with the urban renewal plan or the competitively disadvantaged border community area ordinance.

There has also been a problem with an urban renewal plan including areas where new construction is already planned the generation of which urban renewal had nothing to do. IE: the "Treasure Valley

Market Place" in Nampa. To prevent this type of prohibited inclusion 50-2903(4) has been amended to include any initiated or planned construction as of January 1 of the year of the creation of an Urban Renewal Area in the "Base Assessment".

(4) "Base assessment roll" means the equalized assessment rolls, for all classes of taxable property, which shall include new construction or construction planned or initiated prior to date of the ordinance adopting an urban renewal plan on January 1 of the year in which the local governing body of an authorized municipality passes an ordinance adopting or modifying an urban renewal plan containing a revenue allocation financing provision, except that the base assessment roll shall be adjusted as follows: the equalized assessment valuation of the taxable property in a revenue allocation area as shown upon the base assessment roll shall be reduced by the amount by which the equalized assessed valuation as shown on the base assessment roll exceeds the current equalized assessed valuation of any taxable property located in the revenue allocation area, and by the equalized assessed valuation of taxable property in such revenue allocation area that becomes exempt from taxation subsequent to the date of the base assessment roll. The equalized assessed valuation of the taxable property in a revenue allocation area as shown on the base assessment roll shall be increased by the equalized assessed valuation, as of the date of the base assessment roll, of taxable property in such revenue allocation area that becomes taxable after the date of the base assessment roll, provided any increase in valuation caused by the removal of the agricultural tax exemption from undeveloped agricultural land in a revenue allocation area shall be added to the base assessment roll.