

TION, TO RESTRICT THE USE OF THE BOND TO FINANCE INDUSTRIAL DEVELOPMENT PROJECTS TO CERTAIN BUSINESS ACTIVITIES, TO RESTRICT GOVERNMENT ENTITIES FROM USING ANY SOVEREIGN POWERS ON BEHALF OF ANY INDUSTRIAL DEVELOPMENTS AUTHORIZED UNDER THIS SECTION, TO PROVIDE THAT THE LIMITATION SET OUT IN SECTIONS 2, 3 AND 4 OF ARTICLE VIII OF THE IDAHO CONSTITUTION IS NOT A LIMITATION OF THE AUTHORITY GRANTED IN THIS SECTION, TO PROVIDE THAT PROCEEDS FROM REVENUE BONDS NOT BE DEEMED TO BE PUBLIC MONEY OR PROPERTY, TO PROVIDE THE STATE THE AUTHORITY TO AUDIT INDUSTRIAL DEVELOPMENT PROJECTS; STATING THE QUESTION TO BE SUBMITTED TO THE ELECTORATE; DIRECTING THE LEGISLATIVE COUNCIL TO PREPARE THE ARGUMENTS REQUIRED BY LAW; AND DIRECTING THE SECRETARY OF STATE TO PUBLISH THE CONSTITUTIONAL AMENDMENT AND ARGUMENTS AS REQUIRED BY LAW.

Be It Resolved by the Legislature of the State of Idaho:

SECTION 1. That Article VIII, of the Constitution of the State of Idaho be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 5, Article VIII, and to read as follows:

SECTION 5. SPECIAL REVENUE FINANCING. The legislature may enact laws authorizing the creation of public corporations by counties or cities to issue nonrecourse revenue bonds or other nonrecourse revenue obligations and to apply the proceeds thereof in the manner and for the purposes heretofore or hereafter authorized by law, subject to the following limitations:

Nonrecourse revenue bonds and other nonrecourse revenue obligations issued pursuant to this section shall be payable only from money or other property received as a result of projects financed by the nonrecourse revenue bonds or other nonrecourse revenue obligations and from money and other property received from private sources.

Nonrecourse revenue bonds and other nonrecourse revenue obligations issued pursuant to this section shall not be payable from or secured by any tax funds or governmental revenue or by all or part of the faith and credit of the state or any political subdivisions.

Nonrecourse revenue bonds or other nonrecourse revenue obligations issued pursuant to this section may be issued only if the issuer certifies that it reasonably believes that the interest paid on the bonds or obligations will be exempt from income taxation by the federal government.

Nonrecourse revenue bonds or other nonrecourse revenue obligations may only be used to finance industrial development facilities consisting of manufacturing, processing, production, assembly, warehousing, solid waste disposal, recreation and energy facilities, excluding facilities to transmit, distribute or produce electrical energy.

The counties or cities shall never exercise their respective attributes of sovereignty including, but not limited to, the power to tax, the power of eminent domain, and the police power on behalf of any industrial development project authorized pursuant to this section.

Sections 2, 3 and 4 of Article VIII shall not be construed as a limitation upon the authority granted by this section. The proceeds of revenue bonds and other revenue obligations issued pursuant to this

section for the purpose of 1 to private persons or cor state but shall not otherwise property for purposes of t mental to and shall not be c any other authority lawfu laws of this state, includin issue revenue bonds.

SECTION 2. The question State of Idaho at the next g

"Shall Article VIII of amended by the addition of a lature the power to autho nonrecourse revenue bonds to opment projects limited to assembly, warehousing, sol facilities, excluding facili electrical energy; provided from revenue derived from th and shall not be secured by power of the state or any that no political entity sha the benefit of any such indu:

SECTION 3. The Legis: statements required by Sectic

SECTION 4. The Secret: this proposed constitutional law.

Passed by the House February
Passed by the Senate March 12

(H

A J
PROPOSING AN AMENDMENT TO S
OF THE STATE OF IDAHO, RE
PUBLIC LANDS, TO PROVIDE
SECURE THE MAXIMUM LONG
TO WHICH GRANTED, TO PROV
TO SECURE THE MAXIMUM LO
PROVIDE THAT STATE LANDS
APPRAISED PRICE, AND T
EQUAL VALUE BASIS; STATIN
ELECTORATE; DIRECTING T
STATEMENTS REQUIRED BY LA
TO PUBLISH THE AMENDMENT .

AND TO FINANCE INDUSTRIAL DEVELOPMENT ACTIVITIES, TO RESTRICT SOVEREIGN POWERS ON BEHALF OF THE STATE, TO PROVIDE THAT PROCEEDS FROM REVENUE FROM ANY PROPERTY, TO PROVIDE THE INDUSTRIAL DEVELOPMENT PROJECTS; TO THE ELECTORATE; DIRECTING THE ARGUMENTS REQUIRED BY LAW; TO PUBLISH THE CONSTITUTIONAL AMENDMENT BY LAW.

the State of Idaho:

the Constitution of the State of Idaho as amended by the addition thereto of a new Section 5, Article VIII,

FINANCING. The legislature may enact laws for the incorporation of corporations by counties or cities or other nonrecourse revenue bonds thereof in the manner and for the purposes authorized by law, subject to the

other nonrecourse revenue obligations shall be payable only from the proceeds of projects financed by nonrecourse revenue obligations derived from private sources.

other nonrecourse revenue obligations shall not be payable from or out of any state revenue or by all or part of any political subdivisions. nonrecourse revenue obligations shall be issued only if the issuer certifies that the interest paid on the obligations from income taxation by the fed-

er nonrecourse revenue obligations for industrial development facilities consisting of production, assembly, warehousing, and energy facilities, excluding facilities that produce electrical energy.

never exercise their respective powers but not limited to, the power to regulate and the police power on behalf of the state authorized pursuant to this

Article VIII shall not be construed as a repeal of any law by this section. The proceeds of nonrecourse revenue obligations issued pursuant to this

section for the purpose of financing privately owned property or loans to private persons or corporations shall be subject to audit by the state but shall not otherwise be deemed to be public money or public property for purposes of this constitution. This section is supplemental to and shall not be construed as a repeal of or limitation on any other authority lawfully exercisable under the constitution and laws of this state, including, among others, any existing authority to issue revenue bonds.

SECTION 2. The question to be submitted to the electors of the State of Idaho at the next general election shall be as follows:

"Shall Article VIII of the Constitution of the State of Idaho be amended by the addition of a new Section 5, to grant to the legislature the power to authorize counties or cities the right to issue nonrecourse revenue bonds to be used only to finance industrial development projects limited to manufacturing, processing, production, assembly, warehousing, solid waste disposal, recreation and energy facilities, excluding facilities to transmit, distribute, or produce electrical energy; provided, that such revenue bonds shall be payable from revenue derived from the industrial developments financed thereby and shall not be secured by the full faith and credit or the taxing power of the state or any other political subdivision; and provided that no political entity shall exercise in any way their powers for the benefit of any such industrial development?"

SECTION 3. The Legislative Council is directed to prepare the statements required by Section 67-453, Idaho Code, and file the same.

SECTION 4. The Secretary of State is hereby directed to publish this proposed constitutional amendment and arguments as required by law.

Passed by the House February 24, 1982.

Passed by the Senate March 12, 1982.

(H.J.R. No. 18)

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO SECTION 8, ARTICLE IX, OF THE CONSTITUTION OF THE STATE OF IDAHO, RELATING TO THE LOCATION AND DISPOSITION OF PUBLIC LANDS, TO PROVIDE THAT GRANTED LANDS SHALL BE MANAGED TO SECURE THE MAXIMUM LONG TERM FINANCIAL RETURN FOR THE INSTITUTION TO WHICH GRANTED, TO PROVIDE THAT ACQUIRED LANDS SHALL BE MANAGED TO SECURE THE MAXIMUM LONG TERM FINANCIAL RETURN TO THE STATE, TO PROVIDE THAT STATE LANDS SHALL NOT BE SOLD FOR LESS THAN THE APPRAISED PRICE, AND TO AUTHORIZE THE EXCHANGE OF LANDS ON AN EQUAL VALUE BASIS; STATING THE QUESTION TO BE SUBMITTED TO THE ELECTORATE; DIRECTING THE LEGISLATIVE COUNCIL TO PREPARE THE STATEMENTS REQUIRED BY LAW; AND DIRECTING THE SECRETARY OF STATE TO PUBLISH THE AMENDMENT AND ARGUMENTS AS REQUIRED BY LAW.

STATE AFFAIRS COMMITTEE

MINUTES

MARCH 8, 1982

Rm 350, 3:30 p.m.

PRESENT: All members of the committee were present.

Chairman Swenson called the meeting to order.

Senator Risch moved and Senator Williams seconded the minutes of the previous meeting be approved as written. Motion carried.

MOTION: Senator Risch moved that the appointment of Larry G. Looney as Idaho's delegate to the Multistate Tax Commission for a term concurrent with his term as State Tax Commission, be sent to the Senate with a "do confirm" recommendation. The motion was seconded by Senator Williams. Motion carried.

SB 1439 RELATING TO THE SALE OF AN IRRIGATION DISTRICT OF PERSONAL OR REAL PROPERTY, INCLUDING TRANSFER OF FEDERAL OR STATE LICENSES OR PERMITS NO LONGER OF USE.

Senator Risch explained this legislation was to establish a procedure for Irrigation Districts to sell and transfer a federal or state license or permit.

MOTION: Senator Risch moved and Senator Kiebert seconded this bill be sent out with a "do pass" recommendation. Motion carried.

HJR 17 AMENDMENT TO CONSTITUTION OF THE STATE OF IDAHO TO GRANT THE LEGISLATURE THE AUTHORITY TO GIVE COUNTIES OR CITIES THE POWER TO ISSUE INDUSTRIAL DEVELOPMENT BONDS.

HB 656 INDUSTRIAL REVENUE BONDS.

This legislation is to set up the mechanism for issuing industrial revenue bonds.

SB 1422 INDUSTRIAL REVENUE BONDS.

The legislation is to set up the mechanism for issuing industrial revenue bonds and also gives the right of a referendum vote.

All three of the above bills were considered at one time and all speakers spoke to them.

Steve Bly, Executive Director of Jobs for Idaho, was the lead-off speaker and just briefly stated they were in favor of industrial revenue bonds.

Ralph Comstock, Chairman of the Board & Chief Executive Officer First Security Bank, spoke in favor of industrial revenue bonds. He feels these bonds are very important today because of the high rate of interest. There is a need to broaden the tax base in Idaho and these bonds would help. He said HB 656 had been carefully drawn to avoid some of the abuses that have occurred in other states. He feels SB 1422 with the referendum vote would be to cumbersome to be used effectively and questioned the necessity of this.

Senator Swenson asked Mr. Comstock if industrial bonds were available, would it limit the amount of funds for other tax exempt bonds.

Mr. Comstock said he didn't think so, but did say at present they had all the money out they were allowed this year on tax exempt bonds. By law they are limited to a certain amount they can put into tax exempt projects.

Senator Budge also questioned Mr. Comstock on just how these bonds would help Idaho, etc.

Frank Henderson, Mayor, Post Falls, Idaho and President of Jobs for Idaho, spoke in favor of the bonds. He stated that basically, independent businessmen and the various Chamber of Commerces drafted HB 656. He feels there is certainly adequate power available in North Idaho for future development as Washington Power has allowed for this in the future and also since Bunker Hill's failure, and they were once a very big user of power, that there is plenty available for development.

At this time a short recess was taken to allow the Senate to adjourn.

Rep. Gilbert spoke against revenue bonds. She feels tax exempt bonds cause a significant loss of taxes to the treasury and lessens our ability to balance the budget. It is also a shift in taxes to the individual--there is no free lunch! She said there is action in the Congress to abolish industrial revenue bonds by 1984.

James Herrett, Vice President/CEO Acme Manufacturing Company, Inc., spoke in favor of the bonds. He feels the bonds are an opportunity for a small company to grow.

Jim Bernau, Director, Governmental Relations, Idaho - National Federation of Independent Business, said they support this issue. They oppose SB 1422 as feel there is a problem as written. He feels industrial bonds are one part of the economic picture but certainly not "a cure all."

A discussion followed on what the problem was in SB 1422.

The point in question was that "a 30 day response period" was left out of SB 1422.


Phil Barber, an attorney who has worked on bond issues, explained that a clean bond opinion cannot be rendered without this time period. He also said the election procedure as in SB 1422 would make it more cumbersome to sell the bonds and without a definite response time, feels there would be no sale of the bonds. Only two states with revenue bonds still have this optional election.

MOTION: Senator Twilegar moved that HJR 17 and HB 656 be sent out with a "do pass" recommendation, seconded by Senator Risch. Motion carried.

Senators Steen, Yarbrough, Swenson and Budge all expressed doubts that these bonds will do all the good things expressed by those supporting them.

The meeting adjourned at 5:25 p.m.


Leon H. Swenson, Chairman


Beverly A. Mullins, Secretary

REVENUE AND TAXATION COMMITTEE

MINUTES

DATE: February 19, 1982

PLACE: Room 404, Statehouse

TIME: 9:00 a.m.

PRESENT: Chairman Antone, Representatives: Hollifield, Munter, Tibbitts, Brooks, Brackett, Orme, Hooper, Jones, Barlow, Stucki, Parks, Gwartney, Gilbert, Lacy, Horsch, Horvath, Reid, Antone.

GUESTS: Steve Bly, Director, Jobs for Idaho
Pete Skamser, Boise Chamber of Commerce
Mike Dalton, Executive Director, Twin Falls Chamber of Commerce
Jim Herrett, General Manager, Acme Mfg.
Dale Blickenstaff, Idaho First National Bank
Gary Whitwell, Rangen, Inc. Buhl
Shirl Boyce, Energy for Idaho, Inc.
Phil Barber, Legal Sounsel, Jobs for Idaho
Frank Henderson, President, Jobs for Idaho, Mayor of Post Falls
Marty Peterson, Association of Idaho Cities

Chairman Antone called the meeting to order at 9:00 a.m.

MOTION: Mr. Reid moved that the minutes be approved as written; Mr. Munger seconded the motion. MOTION CARRIED.

HJR17
H656 Mr. Bly presented a fact sheet and reviewed the advantages of Industrial Revenue Bonds for Idaho communities. Members of the committee asked a number of questions about specific plans for expansion of Idaho firms. Discussion followed, concluding it is a well thought-out bill that can be amended as needed. Mr. Reid asked if restrictions to the bill will be by statute and not by resolution. Mr. Bly replied that they would.

Mr. Skamser reviewed the benefits of the proposals and clarified misconceptions. Discussion followed when Ms. Gilbert expressed a sense of unfairness in competition and Mr. Lacy mentioned disappointment that cogeneration had not been clearly defined to the degree it might be separate from the restriction to electrical utilities. Mr. Skamser summarized that Idaho needs this legislation to compete on a national and international basis and said the only ones who could lose if IRB funded businesses failed would be the bond holders.

Mr. Dalton presented seven letters of endorsements for the proposals. Discussion followed about possible costs to the community of new businesses were to fail. Mr. Dalton determined these would be minimum if any, because 1200 people in Twin Falls would be absorbed in new jobs before new people were brought in.

Mr. Herrett described the growth his firm is not making for lack of Industrial Revenue Bond financing.

Mr. Henderson read two letters stating how much they need the IRB financing and explained the serious disadvantages Post Falls and other border towns are experiencing because the state of Washington allows such funding and its companies have personnel who live in and use public services of Idaho.

Mr. Blickenstaff emphasized the multiplier effect and urged the Legislature to allow its business to enter the main stream. Reminding the group that IRB sales increase when interest rates are high and decrease when rates go down, he reported that only 1% of the total American debt issue is in such bonds. Furthermore, whether or not Idaho uses the bonds or not, it pays for them. He clarified some technical points and said IRB bonds that are in trouble are there, because all bonds are in trouble.

Mr. Whitwell explained how his firm is ready to expand as soon as the bill is passed.

Mr. Peterson said his position had been stated by Mayor Henderson.

Mr. Boice requested that language be included in the bill to clarify the electrical utilities/cogeneration issue.

Mr. Tibbitt asked for an explanation of page 2, lines 4-7.

Mr. Barber discussed the rationale and said local businesses would have just as much advantage as outside or new businesses.

MOTION: Mr. Hollifield moved that the Committee hold for five legislative days so that the Committee would have a chance to look at his proposal.

Mr. Jones seconded the motion.

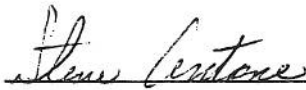
Mr. Jones was granted permission by the Chairman to be excused, due to a possible conflict of interest in the vote. Mr. Barlow has been excused earlier.

SUBSTITUTE MOTION: Ms. Gilbert moved we send the bill to General Orders to exclude the prohibition of IRB financing for electrical utilities. MOTION DIED for lack of a second.

SUBSTITUTE MOTION: Mr. Reid moved that HJR17 be sent to the floor with a DO PASS recommendation. Mr. Gwartney seconded the motion. With a roll call vote, the MOTION CARRIED. HJR17

MOTION: Mr. Gwartney moved H656 be sent to the floor with a DO PASS recommendation. Mr. Hooper seconded the motion. MOTION CARRIED. H656

RS8190 Mr. Hollifield moved that RS8190 be introduced. Mr. Jones seconded the motion. MOTION SECONDED.



Representative Steve Antone, Chairman



Twila Mattson, Assistant Secretary

STATEMENT OF PURPOSE

RS 7519C2

This legislation would grant the legislature the constitutional authority to grant to the cities and counties the power to create public corporations. The public corporations would have the power to issue non-recourse revenue bonds for the purpose of constructing certain manufacturing, processing, production, assembly, warehousing, solid waste disposal, recreation and energy facilities, excluding facilities to transmit, distribute or produce electrical energy. Such non-recourse revenue bonds will be paid off solely through revenues earned from the facility built from the bond proceeds and will not, in any way, encumber any governmental unit, nor shall such bonds be paid off or secured by tax funds or the full faith and credit of any governmental unit. Further, no governmental unit can exercise any sovereign power on behalf of any industrial development built with revenue bonds issued pursuant to this section.

FISCAL NOTE

STATEMENT OF PURPOSE

RS 7518C2

The purpose of this legislation is to set up the mechanism for issuing industrial revenue bonds. This legislation defines what projects may be financed by industrial revenue bonds. It also sets out procedures for the creation, powers, limitation of powers and dissolution of public corporations. The number of directors is set out and a conflict of interest restraint is placed upon them. This legislation requires each bond issuance to be reported to the Department of Finance and to have the Division of Economic and Community Affairs give technical advice. Specific bond provisions are provided as are refunding bond provisions.

There is a publication and contest procedure which allows input from the local residents. Procedures for disposition of property built by revenue bonds upon the default of the private corporate user are provided. This legislation makes interest paid on industrial revenue bonds exempt from State taxation. It also sets out who may invest in industrial revenue bonds and how bond proceeds may be invested. The legislation forbids commingling bond proceeds from municipal proceeds.

The effective date of this legislation is the date upon which the voters of the State of Idaho approve RS 7519C2.

FISCAL NOTE

None.

CHAPTER 9

INDUSTRIAL DEVELOPMENT CORPORATION

SECTION:

- 1-9-1: Definitions
- 1-9-2: Creation Of Corporation; Powers
- 1-9-3: Charter
- 1-9-4: Board Of Directors
- 1-9-5: Conflict Of Interest
- 1-9-6: Powers
- 1-9-7: Indemnification
- 1-9-8: Net Earnings; Dissolution Of Corporation
- 1-9-9: Interpretation

1-9-1: **DEFINITIONS:** As used in this chapter, the following words shall have the following meanings:

- ACT: Title 50, chapter 27, Idaho Code.
- BOARD OF DIRECTORS: The board of directors of the public corporation.
- CORPORATION: The industrial development corporation of Cassia County, Idaho.
- COUNTY: The county of Cassia, Idaho.
- FACILITIES: Land, rights in land, buildings, structures, docks, wharves, machinery, transmission equipment, landscaping, utilities, approaches, roadways and parking, handling and storage areas, and similar ancillary facilities.
- INDUSTRIAL DEVELOPMENT FACILITY OR INDUSTRIAL DEVELOPMENT FACILITIES: Manufacturing, processing, production, assembly, warehousing, transportation, pollution control, solid waste disposal, and energy facilities. (Ord. 85-1, 4-8- 1985).

1-9-2: CREATION OF CORPORATION; POWERS:

- A. Creation: The county of Cassia does hereby create a public corporation to carry out the purpose of chapter 27, title 50, Idaho Code, (the "Act"), as that law may from time to time hereinafter be amended.
- B. Name: The name of the public corporation shall be "The Industrial Development Corporation of Cassia County, Idaho" (the "corporation").
- C. Powers: The corporation shall have all the powers and be subject to all the limitations and provisions contained in the act, as that law may hereinafter from time to time be amended. (Ord. 85-1, 4-8-1985)

1-9-3: CHARTER: A charter shall be issued to the corporation by the board of county commissioners, which shall grant to the corporation authority to act pursuant to the act. A copy of the initial charter to be issued is attached to ordinance 85-1, in the county clerk's office, and marked exhibit A. Said charter may be amended from time to time by the board of county commissioners and shall contain the limitations set forth in the act. (Ord. 85-1, 4-8-1985)

1-9-4: BOARD OF DIRECTORS:

- A. Designation; Quorum: The board of directors of the corporation shall be designated and appointed by the board of county commissioners of Cassia County, Idaho. A majority of the members of the board of directors shall constitute a quorum.
- B. Officers; Bylaws: The affairs of the corporation shall be conducted and carried out by the board of directors. The board shall elect from among its own members a president, a vice president, a treasurer and a secretary, one of whom shall be eligible to hold two (2) offices. The board of directors shall adopt bylaws (rules and regulations) governing the conduct of the corporation.
- C. Compensation: Members of the board of directors shall serve with such compensation as may be provided in the bylaws to be adopted by the board of directors. (Ord. 85-1, 4-8-1985)

1-9-5

1-9-6

1-9-5: **CONFLICT OF INTEREST:** No director, officer, agent or employee of the corporation shall have directly or indirectly any financial interest in any property to be included in or any contract for property, service or materials to be furnished or used in connection with any industrial development facilities financed through the corporation. (Ord. 85-1, 4-8-1985)

1-9-6: **POWERS:** The corporation shall have all the powers granted by, as well as limited by, the act and shall include the following:

- A. **Construction Of Facilities:** To construct and maintain one or more industrial development facilities.
- B. **Lease Of Facilities:** To lease to a lessee all or any part of any industrial development facility for such rentals and upon such terms and conditions, including options to purchase, as its board of directors considers advisable and not in conflict with the act.
- C. **Sale Of Facilities:** To sell by installment contract or otherwise and convey all or any part of any industrial development facility for such purchase price and upon such terms and conditions as its board of directors considers advisable, which are not in conflict with the act.
- D. **Loans:** To make loans for the purpose of providing temporary or permanent financing or refinancing of all or part of the project cost of any industrial development facility, including the refunding of any outstanding obligations, mortgages, or advances issued, made, or given by any person for the project costs; and to charge and collect interest on the loans for the loan payment upon such terms and conditions as its board of directors considers advisable which are not in conflict with the act.
- E. **Revenue Bonds:** To issue revenue bonds for the purpose of financing all or part of the project cost of any industrial development facility and to secure the payment of the revenue bonds as provided by the act.
- F. **Mortgage And Encumbrance:** As security for the payment of the principal of and interest on any revenue bonds issued and any agreements made in connection therewith, to mortgage, pledge, or otherwise encumber any or all of its industrial development facilities or any part or parts thereof, whether then owned or thereafter acquired, and to assign any lease or

mortgage and repledge any security conveyed to the corporation, to secure any loan made by the corporation and to pledge the revenues and receipts therefrom.

- G. Suing And Defending: To sue and be sued, complain, and defend in its corporate name.
- H. Contracts: To make contracts and to execute all instruments necessary or convenient for the carrying out of its business.
- I. Corporate Seal: To have a corporate seal and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.
- J. Financial Assistance: Subject to the limitations of section 50-2706, Idaho Code, to borrow money, accept grants from, or contract with, any local, state, or federal governmental agency or with any financial public or private corporation.
- K. Bylaws: To make and alter bylaws not inconsistent with its charter for the administration and regulation of the affairs of the corporation.
- L. Collection Of Fees and Charges: To collect fees or charges from users or prospective users of industrial development facilities to recover actual or anticipated administrative costs. (Ord. 85-1, 4-8-1985)
- M. Surplus Fees And Charges: To expend surplus fees or charges collected from users or prospective users of industrial development facilities for construction of public facilities including, but not limited to, sidewalks, landscaping, water and sewer systems, roads, and extension of utility services and roads, but such expenditures shall be limited to projects which are within the limits and purposes of this chapter; and to conduct or contract for studies to determine features needed by local governments to foster economic development. (2003 Code)
- N. Financing: To execute financing incidental to the powers enumerated in this subsection.
- O. Operation As Other Than Lessor, Seller, Lender: The corporation created under this chapter may not operate any industrial development facilities as a business other than as lessor, seller, or lender. The purchase and holding of mortgages, deeds of trust, or other security interests and contracting for any servicing thereof is not considered the operation of an industrial development facility.

- P. **Location Of Facility:** The Corporation created by this chapter may not exercise any of the powers authorized in this section or issue any revenue bonds with respect to any industrial development facility unless the industrial development facility is located wholly within the boundaries of the county.
- Q. **County Not To Aid Corporation:** The county of Cassia may not give or lend any money or property nor exercise its power of eminent domain in aid of the corporation. This provision shall not preclude the county from dealing with the corporation on an arm's length basis.
- R. **Approval Required For Revenue Obligations:** The corporation may not issue revenue obligations except upon approval of Cassia County, and upon approval of the city within whose planning jurisdiction the proposed industrial development facility lies. (Ord. 85-1, 4-8-1985)

1-9-7: **INDEMNIFICATION:** Every person who was or is a party, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the law of the state of Idaho from time to time against all expenses, liability and loss (including attorney fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such rights of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers, or representatives may have or hereafter acquire, and without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law, or otherwise, as well as their rights under this section. The board of directors may adopt bylaws from time to time with respect to indemnification to provide at all times the fullest indemnification permitted by the laws of the state of Idaho, and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, against

1-9-7

1-9-9

against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person. (Ord. 85-1, 4-8-1985; amd. 2003 Code)

1-9-8: **NET EARNINGS; DISSOLUTION OF CORPORATION:** Any net earnings of the corporation, beyond those necessary for retirement of indebtedness incurred by it, shall inure to the county of Cassia, and not for the benefit of any other person. Alteration of the charter of or dissolution of or audits of the corporation shall be as provided by the act and by subsequent resolutions of the county. Upon dissolution of the corporation, title to all property owned by the corporation shall vest in the county of Cassia. (Ord. 85-1, 4-8-1985)

1-9-9: **INTERPRETATION:** This chapter shall be liberally construed to effect its purpose. (Ord. 85-1, 4-8-1985)