

A Resolution to Amend Section 50-2903, Idaho Code, to Allow Counties to Receive Payment from Urban Renewal Districts for Direct Administrative Costs Associated with Urban Renewal Projects.

Sponsor: Idaho Association of County Treasurers

Idaho Statute(s): 50-2903

Impacted County Office(s): Assessor, Clerk, Treasurer

Policy Issue: Ability of counties to collect administrative fees from urban renewal districts (URDs) to cover county administrative costs related to urban renewal projects

Proposed Policy: IAC supports amending Section 50-2903, Idaho Code, to counties to collect administrative fees from URDs sufficient to cover county administrative costs associated with urban renewal projects.

Background Information: URDs require considerable support from counties to operate, including collection of taxes, apportionment of taxes, mapping of district boundaries, among other activities. Counties do not receive payment for these services on behalf of the district. Counties are allowed to collect an administrative fee from taxing districts that place special assessments or fees on the tax bill. It is unclear whether or not counties can do the same with expenses associated with urban renewal districts.

In many counties URDs are requesting increasingly complex data from counties, including additional breakdowns of tax data, special considerations when apportioning payments to URDs, issuing multiple checks, and more complex apportionment reports. Errors by the state tax commission have also resulted in lawsuits against the county in Jerome and Twin Falls.

Fiscal Impact: Positive fiscal impact as counties are able to recoup administrative costs associated with support for URDs. There will be a negative fiscal impact on URDs as they will be required to pay counties for administrative costs.

Date Adopted:

Draft Legislation:

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

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

- (1) "Act" or "this act" means this revenue allocation act.
- (2) "Agency" or "urban renewal agency" means a public body created pursuant to section 50-2006, Idaho Code.
- (3) "Authorized municipality" or "municipality" means any county or incorporated city which has established an urban

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

(f) Relocation costs;

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

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

(16) "Administrative costs" means those costs associated with a revenue allocation area incurred by a city or county. Administrative costs shall include, but be not limited to, the preparation of property tax notices, apportionment of property taxes, mapping, or other reasonable charges, including municipal employee time, materials, and overhead, related to a revenue allocation area or the implementation of an urban renewal plan. Administrative costs shall be payable to a municipality regardless of whether or not the city or county requesting payment for administrative costs created the urban renewal agency.

(167) "State" means the state of Idaho.

(178) "Tax" or "taxes" means all property tax levies upon taxable property.

(189) "Taxable property" means taxable real property, personal property, operating property, or any other tangible or intangible property included on the equalized assessment rolls.

(1920) "Taxing district" means a taxing district as defined in section 63-201, Idaho Code, as that section now exists or may hereafter be amended.

(201) "Termination date" means a specific date no later than twenty (20) years from the effective date of an urban renewal plan or as described in section 50-2904, Idaho Code, on which date the plan shall terminate. Every urban renewal plan shall have a termination date that can be modified or extended subject to the twenty (20) year maximum limitation. Provided however, the duration of a revenue allocation financing provision may be extended as provided in section 50-2904, Idaho Code.