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 LEGISLATURE OF THE STATE OF IDAHO
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1 AN ACT
 2 RELATING TO URBAN RENEWAL; AMENDING SECTION 50-2006, IDAHO CODE, TO REVISE
 3 PROVISIONS FOR THE MAKEUP OF THE BOARD OF COMMISSIONERS OF AN URBAN
 4 RENEWAL AGENCY, TO ALLOW FOR THE ELECTION OF COMMISSIONERS, TO REVISE
 5 PROVISIONS REGARDING THE FILLING OF VACANCIES AND TO PROVIDE RESIDENCY
 6 REQUIREMENTS FOR COMMISSIONERS; AMENDING CHAPTER 20, TITLE 50, IDAHO
 7 CODE, BY THE ADDITION OF A NEW SECTION 50-2007A, IDAHO CODE, TO PRO-
 8 VIDE FOR AN ELECTION ON CERTAIN PROJECTS AND TO DEFINE TERMS; AMENDING
 9 SECTION 50-2017, IDAHO CODE, TO REVISE PROVISIONS REGARDING INTER-
 10 ESTED PUBLIC OFFICIALS, COMMISSIONERS OR EMPLOYEES; AMENDING SECTION
 11 50-2903, IDAHO CODE, TO REVISE THE DEFINITION OF BASE ASSESSMENT ROLL
 12 AND PLAN OR URBAN RENEWAL PLAN; AMENDING CHAPTER 29, TITLE 50, IDAHO
 13 CODE, BY THE ADDITION OF A NEW SECTION 50-2903A, IDAHO CODE, TO PROVIDE
 14 THE EFFECT OF AN ORDINANCE TO MODIFY AN URBAN RENEWAL PLAN AND TO PROVIDE
 15 EXCEPTIONS; AMENDING SECTION 50-2905, IDAHO CODE, TO PROVIDE THAT ANY
 16 CHANGES TO AN URBAN RENEWAL PLAN SHALL BE NOTICED AND COMPLETED IN AN
 17 OPEN PUBLIC MEETING; AMENDING CHAPTER 29, TITLE 50, IDAHO CODE, BY THE
 18 ADDITION OF A NEW SECTION 59-2905A, IDAHO CODE, TO PROVIDE FOR AN ELEC-
 19 TION ON CERTAIN PROJECTS AND TO DEFINE TERMS; AMENDING CHAPTER 29, TITLE
 20 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-2913, IDAHO CODE, TO
 21 PROVIDE FOR URBAN RENEWAL PLANS BE SUBMITTED TO THE STATE TAX COMMISSION
 22 TO PROVIDE PENALTIES FOR A FAILURE TO REPORT; AMENDING SECTION 63-301A,
 23 IDAHO CODE, TO PROVIDE FOR INCLUSION ON THE NEW CONSTRUCTION ROLL WHEN A
 24 MODIFICATION OF AN URBAN RENEWAL PLAN OCCURS; AND PROVIDING SEVERABIL-
 25 ITY.

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

27 SECTION 1. That Section 50-2006, Idaho Code, be, and the same is hereby
 28 amended to read as follows:

29 50-2006. URBAN RENEWAL AGENCY. (a) There is hereby created in each mu-
 30 nicipality an independent public body corporate and politic to be known as
 31 the "urban renewal agency" that was created by resolution as provided in sec-
 32 tion 50-2005, Idaho Code, before July 1, 2011, for the municipality; pro-
 33 vided, that such agency shall not transact any business or exercise its pow-
 34 ers hereunder until or unless: (1) the local governing body has made the
 35 findings prescribed in section 50-2005, Idaho Code; and provided further,
 36 that such agency created after July 1, 2011, shall not transact any busi-
 37 ness or exercise its powers provided for in this chapter until (2) a major-
 38 ity of qualified electors, voting in a citywide or countywide election de-
 39 pending on the municipality in which such agency is created, vote to autho-
 40 rize such agency to transact business and exercise its powers provided for in
 41 this chapter. If prior to July 1, 2011, the local governing body has made the
 42 findings prescribed in subsection (a) (1) of this section then such agency

1 shall transact business and shall exercise its powers hereunder and is not
2 subject to the requirements of subsection (a) (2) of this section.

3 (b) Upon satisfaction of the requirements under subsection (a) of this
4 section, the urban renewal agency is authorized to transact the business and
5 exercise the powers hereunder by a board of commissioners to be established
6 as follows:

7 (1) Unless provided otherwise in this section, the mayor, by and with
8 the advice and consent of the local governing body, shall appoint a
9 board of commissioners of the urban renewal agency which shall consist
10 of not less than three (3) commissioners nor more than nine (9) commis-
11 sioners. In the order of appointment, the mayor shall designate the
12 number of commissioners to be appointed, and the term of each, provided
13 that the original term of office of no more than two (2) commissioners
14 shall expire in the same year. The commissioners shall serve for terms
15 not to exceed five (5) years, from the date of appointment, except that
16 all vacancies shall be filled for the unexpired term.

17 (2) For inefficiency or neglect of duty or misconduct in office, a com-
18 missioner may be removed by a majority vote of the board or by the local
19 governing body only after a hearing and after he shall have been given a
20 copy of the charges at least ten (10) days prior to such hearing and have
21 had an opportunity to be heard in person or by counsel. Any commission
22 position which becomes vacant at a time other than the expiration of a
23 term shall be filled by a majority vote of the board by the mayor or chair
24 of the board of county commissioners if that is the local governing body
25 by and with the advice and consent of the local governing body and shall
26 be filled for the unexpired term. The board may elect any person to fill
27 such vacant position where such person meets the requirements of a com-
28 missioner provided for in this chapter.

29 (3) By enactment of an ordinance, the local governing body may appoint
30 and designate itself members of the local governing body to be members
31 of the board of commissioners provided that such representation shall
32 be less than a majority of the board of commissioners of the urban re-
33 newal agency shall consist of the members of the local governing body on
34 and after July 1, 2017, of the urban renewal agency, in which case all
35 the rights, powers, duties, privileges and immunities vested by the ur-
36 ban renewal law of 1965, and as amended, in an appointed board of com-
37 missioners, shall be vested in the local governing body, who shall, in
38 all respects when acting as an urban renewal agency, be acting as an arm
39 of state government, entirely separate and distinct from the municipal-
40 ity, to achieve, perform and accomplish the public purposes prescribed
41 and provided by said urban renewal law of 1965, and as amended.

42 (4) By enactment of an ordinance, the local governing body may termi-
43 nate the appointed board of commissioners and thereby appoint and des-
44 ignate itself as the board of commissioners of the urban renewal agency.

45 (5) By enactment of an ordinance, the local governing body may provide
46 that the board of commissioners of the urban renewal agency shall be
47 elected at an election held for such purpose on one (1) of the November
48 dates provided in section 34-106, Idaho Code, and the ordinance may
49 provide term limits for the commissioners. In this case all the rights,
50 powers, duties, privileges and immunities vested by the urban renewal

1 law of 1965, and as amended, in an appointed board of commissioners,
2 shall be vested in the elected board of commissioners of the urban re-
3 newal agency, who shall, in all respects when acting as an urban renewal
4 agency, be acting as an arm of state government, entirely separate and
5 distinct from the municipality, to achieve, perform and accomplish the
6 public purposes prescribed and provided by said urban renewal law of
7 1965, and as amended. The provisions of section 50-420, Idaho Code,
8 shall apply to elected commissioners if the sponsoring entity is a city
9 or the provisions of county election law if the sponsoring entity is a
10 county and the county election law shall apply to the person running for
11 commissioner as if they were running for county commissioner. In the
12 event of a vacancy in an elected commissioner, the replacement shall be
13 appointed by the mayor or chair of the board of county commissioners if
14 that is the local governing body by and with the advice and consent of
15 the local governing body and shall be filled for the unexpired term.

16 (6) In all instances a member of the board of commissioners of the urban
17 renewal agency must be a resident of the county where the urban renewal
18 agency is located or is doing business.

19 (c) A commissioner shall receive no compensation for his services but
20 shall be entitled to the necessary expenses, including traveling expenses,
21 incurred in the discharge of his duties. Each commissioner shall hold office
22 until his successor has been appointed and has qualified. A certificate of
23 the appointment or reappointment of any commissioner shall be filed with the
24 clerk of the municipality and such certificate shall be conclusive evidence
25 of the due and proper appointment of such commissioner.

26 The powers of an urban renewal agency shall be exercised by the commis-
27 sioners thereof. A majority of the commissioners shall constitute a quo-
28 rum for the purpose of conducting business and exercising the powers of the
29 agency and for all other purposes. Action may be taken by the agency upon a
30 vote of a majority of the commissioners present, unless in any case the by-
31 laws shall require a larger number.

32 The commissioners shall elect the chairman, cochairman or vice chair-
33 man for a term of one (1) year from among their members. An agency may employ
34 an executive director, technical experts and such other agents and employ-
35 ees, permanent and temporary, as it may require, and determine their qual-
36 ifications, duties and compensation. For such legal service as it may re-
37 quire, an agency may employ or retain its own counsel and legal staff. An
38 agency authorized to transact business and exercise powers under this chap-
39 ter shall file, with the local governing body, on or before March 31 of each
40 year a report of its activities for the preceding calendar year, which report
41 shall include a complete financial statement setting forth its assets, lia-
42 bilities, income and operating expense as of the end of such calendar year.
43 The agency shall be required to hold a public meeting to report these find-
44 ings and take comments from the public. At the time of filing the report, the
45 agency shall publish in a newspaper of general circulation in the community
46 a notice to the effect that such report has been filed with the municipality
47 and that the report is available for inspection during business hours in the
48 office of the city clerk or county recorder and in the office of the agency.

49 (d) An urban renewal agency shall have the same fiscal year as a munici-
50 pality and shall be subject to the same audit requirements as a municipality.

1 An urban renewal agency shall be required to prepare and file with its lo-
2 cal governing body an annual financial report and shall prepare, approve and
3 adopt an annual budget for filing with the local governing body, for informa-
4 tional purposes. A budget means an annual estimate of revenues and expenses
5 for the following fiscal year of the agency.

6 (e) An urban renewal agency shall comply with the public records law
7 pursuant to chapter 1, title 74, Idaho Code, open meetings law pursuant to
8 chapter 2, title 74, Idaho Code, the ethics in government law pursuant to
9 chapter 4, title 74, Idaho Code, and the competitive bidding provisions of
10 chapter 28, title 67, Idaho Code.

11 SECTION 2. That Chapter 20, Title 50, Idaho Code, be, and the same is
12 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
13 ignated as Section 50-2007A, Idaho Code, and to read as follows:

14 50-2007A. ELECTION NECESSARY FOR EXPENDITURES ON CERTAIN
15 PROJECTS. (1) Notwithstanding any other provision of this chapter, on and
16 after July 1, 2016, it shall be unlawful for an urban renewal agency to expend
17 revenue collected under this chapter on project costs when the amount of
18 revenue collected under this chapter contributes to fifty-one percent (51%)
19 or more of the total project cost and the project is for construction of a
20 municipal building that will not be subject to property taxation or unless
21 such construction project is first approved in an election by fifty-five
22 percent (55%) of the electors residing within the borders of the qualified
23 municipality. Provided however, there is no limitation on the amount of
24 revenue allocation funds where the municipal building can be specifically
25 determined to be necessary to the redevelopment or economic development
26 purposes of the revenue allocation area identified in an urban renewal
27 agency's plan which has been subject to at least one (1) public hearing and a
28 vote of the local governing body. An election pursuant to this section shall
29 be in accordance with the provisions of chapter 1, title 34, Idaho Code.

30 (2) For purposes of this section, the following terms shall have the
31 following meanings:

32 (a) "Project costs" shall have the same meaning as provided for in sec-
33 tion 50-2008, Idaho Code;

34 (b) "Municipal building" means only an administrative building, city
35 hall, library, courthouse or other judicial buildings, jail, detention
36 center and school facilities provided that public parking structures or
37 to publicly owned infrastructure which shall constitute streets, sewer
38 or water connections, sidewalks, gutters, utilities or fiber optic ca-
39 ble shall not be a municipal building.

40 (b) "Public entity" means the state of Idaho, or any county, city,
41 school district, sewer district, fire district or any other taxing sub-
42 division or district of any public or quasi-public corporation of the
43 state, or any agency thereof, or any other public board, body, commis-
44 sion, department or agency.

45 SECTION 3. That Section 50-2017, Idaho Code, be, and the same is hereby
46 amended to read as follows:

1 50-2017. INTERESTED PUBLIC OFFICIALS, COMMISSIONERS OR EMPLOYEES. No
2 public official, ~~or employee of a municipality (or board or commission~~
3 ~~thereof), and no commissioner or employee of an urban renewal agency shall~~
4 ~~use their position with the urban renewal agency for their personal fi-~~
5 ~~nancial gain or that of a family member.~~ voluntarily acquire any personal
6 interest, direct or indirect, in any urban renewal project, or in any prop-
7 erty included or planned to be included in any urban renewal project in such
8 municipality or in any contract or proposed contract in connection with such
9 urban renewal project. Any official, commissioner or employee of an urban
10 renewal agency that owns or acquires an interest in real property or a busi-
11 ness located in the urban renewal district shall promptly notify the urban
12 renewal board in writing of their ownership of or interest in said property
13 or business. ~~Where such acquisition is not voluntary, the interest acquired~~
14 ~~shall be immediately disclosed in writing to the agency and such disclosure~~
15 ~~shall be entered upon the minutes of the agency. If any such official, com-~~
16 ~~missioner or employee presently owns or controls, or owned or controlled~~
17 ~~within the preceding two (2) years, any interest, direct or indirect, in any~~
18 ~~property which he knows is included or planned to be included in an urban~~
19 ~~renewal project, he shall immediately disclose this fact in writing to the~~
20 ~~agency, and s~~Such disclosure shall be entered upon the minutes of the agency,
21 and any such official, commissioner or employee shall not participate in
22 any action by the municipality ~~(or board or commission thereof), or urban~~
23 ~~renewal agency affecting such property or business.~~ Any violation of the
24 provisions of this section shall constitute misconduct in office.

25 SECTION 4. That Section 50-2903, Idaho Code, be, and the same is hereby
26 amended to read as follows:

27 50-2903. DEFINITIONS. The following terms used in this chapter shall
28 have the following meanings, unless the context otherwise requires:

- 29 (1) "Act" or "this act" means this revenue allocation act.
- 30 (2) "Agency" or "urban renewal agency" means a public body created pur-
31 suant to section 50-2006, Idaho Code.
- 32 (3) "Authorized municipality" or "municipality" means any county or
33 incorporated city which has established an urban renewal agency, or by or-
34 dinance has identified and created a competitively disadvantaged border
35 community.
- 36 (4) "Except as provided in section 50-2903A, Idaho Code, Bbase assess-
37 ment roll" means the equalized assessment rolls, for all classes of taxable
38 property, on January 1 of the year in which the local governing body of an au-
39 thorized municipality passes an ordinance adopting or modifying an urban re-
40 newal plan containing a revenue allocation financing provision, except that
41 the base assessment roll shall be adjusted as follows: the equalized as-
42 essment valuation of the taxable property in a revenue allocation area as
43 shown upon the base assessment roll shall be reduced by the amount by which
44 the equalized assessed valuation as shown on the base assessment roll ex-
45 ceeds the current equalized assessed valuation of any taxable property lo-
46 cated in the revenue allocation area, and by the equalized assessed valu-
47 ation of taxable property in such revenue allocation area that becomes ex-
48 empt from taxation subsequent to the date of the base assessment roll. The

1 equalized assessed valuation of the taxable property in a revenue allocation
2 area as shown on the base assessment roll shall be increased by the equalized
3 assessed valuation, as of the date of the base assessment roll, of taxable
4 property in such revenue allocation area that becomes taxable after the date
5 of the base assessment roll, provided any increase in valuation caused by
6 the removal of the agricultural tax exemption from undeveloped agricultural
7 land in a revenue allocation area shall be added to the base assessment roll.

8 (5) "Budget" means an annual estimate of revenues and expenses for the
9 following fiscal year of the agency. An agency shall, by September 1 of each
10 calendar year, adopt and publish, as described in section 50-1002, Idaho
11 Code, a budget for the next fiscal year. An agency may amend its adopted
12 budget using the same procedures as used for adoption of the budget. For
13 the fiscal year that immediately predates the termination date for an urban
14 renewal plan involving a revenue allocation area or will include the termi-
15 nation date, the agency shall adopt and publish a budget specifically for the
16 projected revenues and expenses of the plan and make a determination as to
17 whether the revenue allocation area can be terminated before the January 1
18 of the termination year pursuant to the terms of section 50-2909(4), Idaho
19 Code. In the event that the agency determines that current tax year revenues
20 are sufficient to cover all estimated expenses for the current year and all
21 future years, by September 1 the agency shall adopt a resolution advising and
22 notifying the local governing body, the county auditor, and the state tax
23 commission and recommending the adoption of an ordinance for termination of
24 the revenue allocation area by December 31 of the current year and declaring
25 a surplus to be distributed as described in section 50-2909, Idaho Code,
26 should a surplus be determined to exist. The agency shall cause the ordi-
27 nance to be filed with the office of the county recorder and the Idaho state
28 tax commission as provided in section 63-215, Idaho Code. Upon notification
29 of revenues sufficient to cover expenses as provided herein, the increment
30 value of that revenue allocation area shall be included in the net taxable
31 value of the appropriate taxing districts when calculating the subsequent
32 property tax levies pursuant to section 63-803, Idaho Code. The increment
33 value shall also be included in subsequent notification of taxable value for
34 each taxing district pursuant to section 63-1312, Idaho Code, and subsequent
35 certification of actual and adjusted market values for each school district
36 pursuant to section 63-315, Idaho Code.

37 (6) "Clerk" means the clerk of the municipality.

38 (7) "Competitively disadvantaged border community area" means a parcel
39 of land consisting of at least forty (40) acres which is situated within the
40 jurisdiction of a county or an incorporated city and within twenty-five (25)
41 miles of a state or international border, which the governing body of such
42 county or incorporated city has determined by ordinance is disadvantaged in
43 its ability to attract business, private investment, or commercial develop-
44 ment, as a result of a competitive advantage in the adjacent state or nation
45 resulting from inequities or disparities in comparative sales taxes, income
46 taxes, property taxes, population or unique geographic features.

47 (8) "Deteriorated area" means:

48 (a) Any area, including a slum area, in which there is a predominance
49 of buildings or improvements, whether residential or nonresidential,
50 which by reason of dilapidation, deterioration, age or obsolescence,

1 inadequate provision for ventilation, light, air, sanitation, or open
2 spaces, high density of population and overcrowding, or the existence
3 of conditions which endanger life or property by fire and other causes,
4 or any combination of such factors, is conducive to ill health, trans-
5 mission of disease, infant mortality, juvenile delinquency, or crime,
6 and is detrimental to the public health, safety, morals or welfare.

7 (b) Any area which by reason of the presence of a substantial number of
8 deteriorated or deteriorating structures, predominance of defective or
9 inadequate street layout, faulty lot layout in relation to size, ade-
10 quacy, accessibility or usefulness, insanitary or unsafe conditions,
11 deterioration of site or other improvements, diversity of ownership,
12 tax or special assessment delinquency exceeding the fair value of the
13 land, defective or unusual conditions of title, or the existence of con-
14 ditions which endanger life or property by fire and other causes, or any
15 combination of such factors, results in economic underdevelopment of
16 the area, substantially impairs or arrests the sound growth of a munici-
17 pality, retards the provision of housing accommodations or constitutes
18 an economic or social liability and is a menace to the public health,
19 safety, morals or welfare in its present condition and use.

20 (c) Any area which is predominately open and which because of obsolete
21 platting, diversity of ownership, deterioration of structures or im-
22 provements, or otherwise, results in economic underdevelopment of the
23 area or substantially impairs or arrests the sound growth of a munici-
24 pality. The provisions of section 50-2008(d), Idaho Code, shall apply
25 to open areas.

26 (d) Any area which the local governing body certifies is in need of
27 redevelopment or rehabilitation as a result of a flood, storm, earth-
28 quake, or other natural disaster or catastrophe respecting which the
29 governor of the state has certified the need for disaster assistance
30 under any federal law.

31 (e) Any area which by reason of its proximity to the border of an ad-
32 jacent state is competitively disadvantaged in its ability to attract
33 private investment, business or commercial development which would
34 promote the purposes of this chapter.

35 (f) "Deteriorated area" does not mean not developed beyond agricul-
36 tural, or any agricultural operation as defined in section 22-4502(1),
37 Idaho Code, or any forest land as defined in section 63-1701(4), Idaho
38 Code, unless the owner of the agricultural operation or the forest
39 landowner of the forest land gives written consent to be included in the
40 deteriorated area, except for an agricultural operation or forest land
41 that has not been used for three (3) consecutive years.

42 (9) "Facilities" means land, rights in land, buildings, structures,
43 machinery, landscaping, extension of utility services, approaches, road-
44 ways and parking, handling and storage areas, and similar auxiliary and re-
45 lated facilities.

46 (10) "Increment value" means the total value calculated by summing the
47 differences between the current equalized value of each taxable property in
48 the revenue allocation area and that property's current base value on the
49 base assessment roll, provided such difference is a positive value.

1 (11) "Local governing body" means the city council or board of county
2 commissioners of a municipality.

3 (12) "Plan" or "urban renewal plan" means a plan, as it exists or may
4 from time to time be amended, prepared and approved pursuant to sections
5 50-2008 and 50-2905, Idaho Code, and any method or methods of financing such
6 plan, which methods may include revenue allocation financing provisions.

7 (13) "Project" or "urban renewal project" or "competitively disadvan-
8 taged border areas" may include undertakings and activities of a municipal-
9 ity in an urban renewal area for the elimination of deteriorated or deterio-
10 rating areas and for the prevention of the development or spread of slums and
11 blight and may involve slum clearance and redevelopment in an urban renewal
12 area, or rehabilitation or conservation in an urban renewal area, or any com-
13 bination or part thereof in accordance with an urban renewal plan. Such un-
14 dertakings and activities may include:

15 (a) Acquisition of a deteriorated area or a deteriorating area or por-
16 tion thereof;

17 (b) Demolition and removal of buildings and improvement;

18 (c) Installation, construction, or reconstruction of streets, utili-
19 ties, parks, playgrounds, open space, off-street parking facilities,
20 public facilities, public recreation and entertainment facilities or
21 buildings and other improvements necessary for carrying out, in the ur-
22 ban renewal area or competitively disadvantaged border community area,
23 the urban renewal objectives of this act in accordance with the urban
24 renewal plan or the competitively disadvantaged border community area
25 ordinance.

26 (d) Disposition of any property acquired in the urban renewal area or
27 the competitively disadvantaged border community area (including sale,
28 initial leasing or retention by the agency itself) or the municipality
29 creating the competitively disadvantaged border community area at its
30 fair value for uses in accordance with the urban renewal plan except for
31 disposition of property to another public body;

32 (e) Carrying out plans for a program of voluntary or compulsory repair
33 and rehabilitation of buildings or other improvements in accordance
34 with the urban renewal plan;

35 (f) Acquisition of real property in the urban renewal area or the com-
36 petitively disadvantaged border community area which, under the urban
37 renewal plan, is to be repaired or rehabilitated for dwelling use or re-
38 lated facilities, repair or rehabilitation of the structures for guid-
39 ance purposes, and resale of the property;

40 (g) Acquisition of any other real property in the urban renewal area
41 or competitively disadvantaged border community area where necessary
42 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-
43 sity, eliminate obsolete or other uses detrimental to the public wel-
44 fare, or otherwise to remove or to prevent the spread of blight or dete-
45 rioration, or to provide land for needed public facilities or where nec-
46 cessary to accomplish the purposes for which a competitively disadvan-
47 taged border community area was created by ordinance;

48 (h) Lending or investing federal funds; and

49 (i) Construction of foundations, platforms and other like structural
50 forms.

- 1 (14) "Project costs" includes, but is not limited to:
- 2 (a) Capital costs, including the actual costs of the construction of
- 3 public works or improvements, facilities, buildings, structures, and
- 4 permanent fixtures; the demolition, alteration, remodeling, repair or
- 5 reconstruction of existing buildings, structures, and permanent fix-
- 6 tures; the acquisition of equipment; and the clearing and grading of
- 7 land;
- 8 (b) Financing costs, including interest during construction and capi-
- 9 talized debt service or repair and replacement or other appropriate re-
- 10 serves;
- 11 (c) Real property assembly costs, meaning any deficit incurred from the
- 12 sale or lease by a municipality of real or personal property within a
- 13 revenue allocation district;
- 14 (d) Professional service costs, including those costs incurred for ar-
- 15 chitectural, planning, engineering, and legal advice and services;
- 16 (e) Direct administrative costs, including reasonable charges for the
- 17 time spent by municipal employees in connection with the implementation
- 18 of a project plan;
- 19 (f) Relocation costs;
- 20 (g) Other costs incidental to any of the foregoing costs.
- 21 (15) "Revenue allocation area" means that portion of an urban renewal
- 22 area or competitively disadvantaged border community area where the equal-
- 23 ized assessed valuation (as shown by the taxable property assessment rolls)
- 24 of which the local governing body has determined, on and as a part of an urban
- 25 renewal plan, is likely to increase as a result of the initiation of an urban
- 26 renewal project or competitively disadvantaged border community area. The
- 27 base assessment roll or rolls of revenue allocation area or areas shall not
- 28 exceed at any time ten percent (10%) of the current assessed valuation of all
- 29 taxable property within the municipality.
- 30 (16) "State" means the state of Idaho.
- 31 (17) "Tax" or "taxes" means all property tax levies upon taxable prop-
- 32 erty.
- 33 (18) "Taxable property" means taxable real property, personal prop-
- 34 erty, operating property, or any other tangible or intangible property
- 35 included on the equalized assessment rolls.
- 36 (19) "Taxing district" means a taxing district as defined in section
- 37 63-201, Idaho Code, as that section now exists or may hereafter be amended.
- 38 (20) "Termination date" means a specific date no later than twenty (20)
- 39 years from the effective date of an urban renewal plan or as described in sec-
- 40 tion 50-2904, Idaho Code, on which date the plan shall terminate. Every ur-
- 41 ban renewal plan shall have a termination date that can be modified or ex-
- 42 tended subject to the twenty (20) year maximum limitation. Provided how-
- 43 ever, the duration of a revenue allocation financing provision may be ex-
- 44 tended as provided in section 50-2904, Idaho Code.

45 SECTION 5. That Chapter 29, Title 50, Idaho Code, be, and the same is
46 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
47 ignated as Section 50-2903A, Idaho Code, and to read as follows:

1 50-2903A. EFFECT OF ORDINANCE TO MODIFY URBAN RENEWAL PLAN -- EXCEP-
2 TION. (1) Except as provided in subsection (2) of this section, when an urban
3 renewal plan containing a revenue allocation financing provision is modi-
4 fied through an ordinance of the authorized municipality, the base value for
5 the year immediately following the year in which the modification occurred
6 shall include the current year's equalized assessed value of the taxable
7 property in a revenue allocation area. The urban renewal agency shall be re-
8 quired annually to attest to having or not having a modification to its plan.
9 Notice of any modification stating the nature of the modification shall be
10 provided to the state tax commission and the county clerk and assessor by the
11 first Monday in June of the year following the modification. In addition
12 the agency must submit a new plan when a modification to the information
13 described in subsections (2) or (6) of section 50-2905, Idaho Code, has oc-
14 curred during the previous year.

15 (a) If no modification has occurred, the urban renewal agency shall
16 attest that fact on an affidavit provided by the state tax commission
17 before the first Monday of June of each year. Modification shall not
18 be deemed to have occurred when there is a boundary change permitted in
19 Section 50-2033, Idaho Code.

20 (b) Once a modification is deemed to have occurred, the urban renewal
21 agency will be prohibited from obtaining any new bonded indebtedness
22 until after termination of the modified revenue allocation area.

23 (2) When the urban renewal agency certifies to the county clerk and
24 state tax commission that there is outstanding bonded indebtedness, the base
25 value for the year immediately following the year in which the modification
26 occurred shall be computed and adjusted irrespective of the modification to
27 the plan, but in compliance with all other requirements for adjustment as
28 provided in section 50-2903(4). To be allowed this exception no later than
29 the first Monday in June each year, beginning the year immediately following
30 the year in which the modification occurred, the urban renewal agency must
31 certify:

32 (a) That the bonded indebtedness could not be repaid without the allo-
33 cation of property tax revenue that they would have received had it not
34 been for the modification, and;

35 (b) The following information: The total budget to be used for paying
36 bonded indebtedness during that year, the amount of non-property tax
37 revenue to be used for paying bonded indebtedness during that year, and
38 the amount of property tax revenue to be used for paying bonded indebt-
39 edness during that year.

40 (3) To the extent the amount of property tax revenue allocated to the
41 urban renewal agency exceeds the amount certified in subsection (2)(b) of
42 this section, the excess shall be distributed by the county clerk to each
43 taxing district or unit in the same manner as property taxes, except that
44 each taxing district or unit shall be notified of the amount of any distribu-
45 tion of excess urban renewal allocations included in any distribution. For
46 purposes of the limitation provided by section 63-802, Idaho Code, monies
47 received by any taxing district or unit pursuant to this subsection shall be
48 treated as property tax revenue.

49 (4) Within thirty (30) days from the time the state tax commission re-
50 ceives information that an urban renewal plan has been modified, the state

1 tax commission shall notify the urban renewal agency and the county clerk
2 of such receipt and the determination regarding any limits on the maximum
3 amount of property tax revenue that will be allocated to the urban renewal
4 agency from the current year's property taxes.

5 SECTION 6. That Section 50-2905, Idaho Code, be, and the same is hereby
6 amended to read as follows:

7 50-2905. RECOMMENDATION OF URBAN RENEWAL AGENCY. In order to imple-
8 ment the provisions of this chapter, the urban renewal agency of the munic-
9 ipality shall prepare and adopt a plan for each revenue allocation area and
10 submit the plan and recommendation for approval thereof to the local govern-
11 ing body. The plan shall include with specificity:

12 (1) A statement describing the total assessed valuation of the base as-
13 sessment roll of the revenue allocation area and the total assessed valua-
14 tion of all taxable property within the municipality;

15 (2) A statement listing the kind, number, and location of all proposed
16 public works or improvements within the revenue allocation area;

17 (3) An economic feasibility study;

18 (4) A detailed list of estimated project costs;

19 (5) A fiscal impact statement showing the impact of the revenue allo-
20 cation area, both until and after the bonds are repaid, upon all taxing dis-
21 tricts levying taxes upon property on the revenue allocation area;

22 (6) A description of the methods of financing all estimated project
23 costs and the time when related costs or monetary obligations are to be in-
24 curred;

25 (7) A termination date for the plan and the revenue allocation area as
26 provided for in section 50-2903(20), Idaho Code. In determining the termi-
27 nation date, the plan shall recognize that the agency shall receive alloca-
28 tion of revenues in the calendar year following the last year of the revenue
29 allocation provision described in the urban renewal plan; and

30 (8) A description of the disposition or retention of any assets of the
31 agency upon the termination date. Provided however, nothing herein shall
32 prevent the agency from retaining assets or revenues generated from such as-
33 sets as long as the agency shall have resources other than revenue allocation
34 funds to operate and manage such assets.

35 (9) Any changes to an urban renewal plan shall be noticed and shall be
36 completed in an open public meeting.

37 SECTION 7. That Chapter 29, Title 50, Idaho Code, be, and the same is
38 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
39 ignated as Section 50-2905A, Idaho Code, and to read as follows:

40 50-2905A. ELECTION NECESSARY FOR EXPENDITURES ON CERTAIN
41 PROJECTS. (1) Notwithstanding any other provision of this chapter, on and
42 after July 1, 2016, it shall be unlawful for an urban renewal agency to expend
43 revenue collected under this chapter on project costs when the amount of
44 revenue collected under this chapter contributes to fifty-one percent (51%)
45 or more of the total project cost and the project is for construction of a
46 municipal building that will not be subject to property taxation or unless

1 such construction project is first approved in an election by fifty-five
2 percent (55%) of the electors residing within the borders of the qualified
3 municipality. Provided however, there is no limitation on the amount of
4 revenue allocation funds where the municipal building can be specifically
5 determined to be necessary to the redevelopment or economic development
6 purposes of the revenue allocation area identified in an urban renewal
7 agency's plan which has been subject to at least one (1) public hearing and a
8 vote of the local governing body. An election pursuant to this section shall
9 be in accordance with the provisions of chapter 1, title 34, Idaho Code.

10 (2) For purposes of this section, the following terms shall have the
11 following meanings:

12 (a) "Project costs" shall have the same meaning as provided for in sec-
13 tion 50-2008, Idaho Code;

14 (b) "Municipal building" means only an administrative building, city
15 hall, library, courthouse or other judicial buildings, jail, detention
16 center and school facilities provided that public parking structures or
17 to publicly owned infrastructure which shall constitute streets, sewer
18 or water connections, sidewalks, gutters, utilities or fiber optic ca-
19 ble shall not be a municipal building.

20 (b) "Public entity" means the state of Idaho, or any county, city,
21 school district, sewer district, fire district or any other taxing sub-
22 division or district of any public or quasi-public corporation of the
23 state, or any agency thereof, or any other public board, body, commis-
24 sion, department or agency.

25 SECTION 8. That Chapter 29, Title 50, Idaho Code, be, and the same is
26 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
27 ignated as Section 50-2913, Idaho Code, and to read as follows:

28 50-2913. URBAN RENEWAL AGENCY PLANS-- REPORTING INFORMATION REQUIRED
29 -- PENALTIES FOR FAILURE TO REPORT. In addition to the provisions applica-
30 ble to urban renewal agencies in chapters 20 and 29, title 50, Idaho Code, the
31 provisions of this section shall also apply to urban renewal agencies. For
32 purposes of this section, "urban renewal agencies" shall have the same mean-
33 ing as provided in chapters 20 and 29, title 50, Idaho Code.

34 (1) (a) There is hereby established a central registry with the state
35 tax commission. The registry shall serve as the unified location for
36 the reporting of and access to administrative and financial information
37 of urban renewal plans in this state. To establish a complete list of
38 all urban renewal plans of urban renewal agencies operating in Idaho, on
39 the effective date of this act and so that the registry established will
40 be comprehensive, every urban renewal agency shall register with the
41 state registry. For calendar year 2017, the submission of information
42 required by subsection (2) of this section shall occur prior to March 1,
43 2017, and shall be in the form and format required by the state tax com-
44 mission. In addition to the information required by this section for
45 the March 1, 2017, filing deadline, the entity shall report the date of
46 its last adoption or amendment or modification of an urban renewal plan.
47 The registry listing will be available on the state tax commission web-
48 site by July 1, 2017.

1 (b) The state tax commission shall notify each urban renewal agency of
2 the requirements of this section.

3 (c) After March 1, and on or before December 1 of each year the county
4 clerk of each county shall submit a list to the state tax commission of
5 all urban renewal agencies within the county.:

6 (2) On or before December 1 of each year, every urban renewal agency
7 shall submit to the central registry the following information each urban
8 renewal plan adopted or modified pursuant to sections 50-2008 and 50-2020,
9 Idaho Code, and any modifications or amendments to those plans.

10 (a) Within five (5) days of submitting to the central registry the in-
11 formation required by this section, the urban renewal agency shall no-
12 tify the agency's appointing authority, if the entity has an appointing
13 authority, that it has submitted such information.

14 (b) If any information provided by an entity as required by this section
15 changes during the year, the entity shall update its information on the
16 registry within thirty (30) days of any such change.

17 (3) Notification and penalties.

18 (a) If an urban renewal agency fails to submit information required by
19 this section or submits noncompliant information required by this sec-
20 tion, the state tax commission shall notify the entity immediately af-
21 ter the due date of the information that either the information was not
22 submitted in a timely manner or the information submitted was noncom-
23 pliant. The urban renewal agency shall then have thirty (30) days from
24 the date of notice to submit the information or notify the state tax com-
25 mission that it will comply by a time certain.

26 (b) No later than September 1 of any year, the state tax commission
27 shall notify the appropriate board of county commissioners and city
28 council of the entity's failure to comply with the provisions of this
29 section. Upon receipt of such notification, the board of county commis-
30 sioners shall place a public notice in a newspaper of general circula-
31 tion in the county indicating that the entity is noncompliant with the
32 legal reporting requirements of this section. The county commissioners
33 shall assess to the entity the cost of the public notice. Such costs may
34 be deducted from any distributions of tax increment financing of the
35 urban renewal agency. For any noncomplying urban renewal agency, the
36 state tax commission shall notify the board of county commissioners and
37 city council of the compliance status of such entity by September 1 of
38 each year until the entity is in compliance.

39 (c) An urban renewal agency that fails to comply with this section
40 shall have any property tax revenue that exceeds the amount received
41 in the immediate prior tax year be distributed to the taxing districts
42 located within or overlapping any revenue allocation area within that
43 urban renewal district. Said distribution shall be based on each taxing
44 district's proportionate share of the increment value in the current
45 tax year multiplied by the taxing district's current levy rate, reduced
46 proportionately to match the excess to be so apportioned. Any money so
47 received by any taxing district shall be treated as property tax revenue
48 for the purposes of the limitation provided by section 63-802, Idaho
49 Code.

1 (d) In addition to any other penalty provided in this section, in any
2 failure to comply with this section, the state tax commission shall
3 withhold the annual distribution of sales tax distribution pursuant to
4 section 63-3638(13), Idaho Code, for any noncomplying urban renewal
5 agency. The state tax commission shall withhold and retain such money
6 in a reserve account until an urban renewal agency has complied with
7 the provisions of this section, at which point the state tax commission
8 shall pay any money owed to a city or county where an urban renewal dis-
9 trict is located and is previously in violation of this section. Such
10 moneys received by a city or county shall be used for property tax relief
11 purposes.

12 (e) For any urban renewal agency, upon notification to the board of
13 county commissioners from the state tax commission of noncompliance by
14 such entity, the board of county commissioners shall convene to deter-
15 mine appropriate compliance measures including, but not limited to, the
16 following:

17 (i) Require a meeting of the board of county commissioners and the
18 urban renewal agency's governing body wherein the board of county
19 commissioners shall require compliance of this section by the enti-
20 ty; and

21 (ii) Assess a noncompliance fee on the noncomplying urban renewal
22 agency. Such fee shall not exceed five thousand dollars (\$5,000).
23 Such fees and costs may be deducted from any distributions of the
24 tax increment financing. Any fee collected shall be deposited
25 into the county's current expense fund;

26 (5) The provisions of this section shall have no impact or effect upon
27 reporting requirements for local governing entities relating to the state
28 tax commission. The state tax commission may allow compliance with this sec-
29 tion by the posting of links to an urban renewal agency's website for the
30 posting of plans.

31 SECTION 9. That Section 63-301A, Idaho Code, be, and the same is hereby
32 amended to read as follows:

33 63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall prepare
34 a new construction roll, which shall be in addition to the property roll,
35 which new construction roll shall show:

36 (a) The name of the taxpayer;

37 (b) The description of the new construction, suitably detailed to meet
38 the requirements of the individual county;

39 (c) A description of the land and its change in use, suitably detailed
40 to meet the needs of the individual county;

41 (d) The amount of taxable market value added to the property on the cur-
42 rent year's property roll that is directly the result of new construc-
43 tion or a change in use of the land or both;

44 (e) The amount of taxable market value added as provided in subsection
45 (3) (g) of this section as a result of dissolution of any revenue alloca-
46 tion area;

1 (f) The amount of taxable market value to be deducted to reflect the ad-
2 justments required in paragraphs (f) (i), (f) (ii), (f) (iii) and (f) (iv)
3 of this subsection:

4 (i) Any board of tax appeals or court ordered value change, if
5 property has a taxable value lower than that shown on any new con-
6 struction roll in any one (1) of the immediate five (5) tax years
7 preceding the current tax year;

8 (ii) Any reduction in value resulting from correction of value im-
9 properly included on any previous new construction roll as a re-
10 sult of double or otherwise erroneous assessment;

11 (iii) Any reduction in value, in any one (1) of the immediate five
12 (5) tax years preceding the current tax year, resulting from a
13 change of land use classification;

14 (iv) Any reduction in value resulting from the exemption provided
15 in section 63-602W(4), Idaho Code, in any one (1) of the immediate
16 five (5) tax years preceding the current tax year.

17 (2) As soon as possible, but in any event by no later than the first Mon-
18 day in June, the new construction roll shall be certified to the county audi-
19 tor and a listing showing the amount of value on the new construction roll in
20 each taxing district or unit be forwarded to the state tax commission on or
21 before the fourth Monday in July. Provided however, the value shown in sub-
22 section (3) (f) of this section shall be reported to the appropriate county
23 auditor by the state tax commission by the third Monday in July and the value
24 sent by the county auditor to each taxing district. The value established
25 pursuant to subsection (3) (f) of this section is subject to correction by the
26 state tax commission until the first Monday in September and any such correc-
27 tions shall be sent to the appropriate county auditor, who shall notify any
28 affected taxing districts.

29 (3) The value shown on the new construction roll shall include the tax-
30 able market value increase from:

31 (a) Construction of any new structure that previously did not exist; or

32 (b) Additions or alterations to existing nonresidential structures; or

33 (c) Installation of new or used manufactured housing that did not pre-
34 viously exist within the county; or

35 (d) Change of land use classification; or

36 (e) Property newly taxable as a result of loss of the exemption provided
37 by section 63-602W(3) or (4), Idaho Code; or

38 (f) The construction of any improvement or installation of any equip-
39 ment used for or in conjunction with the generation of electricity and
40 the addition of any improvement or equipment intended to be so used, ex-
41 cept property that has a value allocated or apportioned pursuant to sec-
42 tion 63-405, Idaho Code, or that is owned by a cooperative or municipal-
43 ity, as those terms are defined in section 61-332A, Idaho Code, or that
44 is owned by a public utility, as that term is defined in section 61-332A,
45 Idaho Code, owning any other property that is allocated or apportioned.
46 No replacement equipment or improvements may be included; or

47 (g) Provided such increases do not include increases already reported
48 on the new construction roll, as permitted in subsection (3) (j) of this
49 section, increases in value over the base value of property on the base
50 assessment roll within an urban renewal revenue allocation area that

1 has been terminated pursuant to section 50-2909(4), Idaho Code, to the
2 extent that this increment exceeds the incremental value as of December
3 31, 2006, or, for revenue allocation areas formed after December 31,
4 2006, the entire increment value. Notwithstanding other provisions of
5 this section, the new construction roll shall not include new construc-
6 tion located within an urban renewal district's revenue allocation
7 area, except as provided in this subsection (3) (g); or

8 (h) New construction, in any one (1) of the immediate five (5) tax years
9 preceding the current tax year, allowable but never included on a new
10 construction roll, provided however, that, for such property, the value
11 on the new construction roll shall reflect the taxable value that would
12 have been included on the new construction roll for the first year in
13 which the property should have been included.

14 (i) Formerly exempt improvements on state college or state university
15 owned land for student dining, housing, or other education related pur-
16 poses approved by the state board of education and board of regents of
17 the university of Idaho as proper for the operation of such state col-
18 lege or university provided however, such improvements were never in-
19 cluded on any previous new construction roll.

20 (j) Increases in base value when due to previously determined incre-
21 ment value added to the base value as required in sections 50-2903 and
22 50-2903A, Idaho Code, due to a modification of the urban renewal plan.
23 In this case, the amount added to the new construction roll will equal
24 the amount by which the increment value in the year immediately preced-
25 ing the year in which the base value adjustment described in this sub-
26 section occurs exceeds the incremental value as of December 31, 2006,
27 or, for revenue allocation areas formed after December 31, 2006, the en-
28 tire increment value.

29 (4) The amount of taxable market value of new construction shall be the
30 change in net taxable market value that is attributable directly to new con-
31 struction or a change in use of the land or loss of the exemption provided by
32 section 63-602W(3) or (4), Idaho Code. It shall not include any change in
33 value of existing property that is due to external market forces such as gen-
34 eral or localized inflation, except as provided in subsection (3) (g) of this
35 section.

36 SECTION 10. SEVERABILITY. The provisions of this act are hereby de-
37 clared to be severable and if any provision of this act or the application
38 of such provision to any person or circumstance is declared invalid for any
39 reason, such declaration shall not affect the validity of the remaining por-
40 tions of this act.