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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, TO PROVIDE RESIDENCY RE-
6 QUIREMENTS FOR COMMISSIONERS AND TO MAKE TECHNICAL CORRECTIONS; AMEND-
7 ING SECTION 50-2017, IDAHO CODE, TO REVISE PROVISIONS REGARDING INTER-
8 ESTED PUBLIC OFFICIALS, COMMISSIONERS OR EMPLOYEES; AMENDING SECTION
9 50-2033, IDAHO CODE, TO PROVIDE REQUIREMENTS FOR AMENDMENTS; AMENDING
10 SECTION 50-2903, IDAHO CODE, TO REVISE THE DEFINITION OF "BASE ASSESS-
11 MENT ROLL" AND "PLAN" OR "URBAN RENEWAL PLAN"; AMENDING CHAPTER 29,
12 TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-2903A, IDAHO
13 CODE, TO PROVIDE THE EFFECT OF AN ORDINANCE TO MODIFY AN URBAN RENEWAL
14 PLAN AND TO PROVIDE EXCEPTIONS; AMENDING SECTION 50-2905, IDAHO CODE,
15 TO PROVIDE THAT ANY CHANGES TO AN URBAN RENEWAL PLAN SHALL BE NOTICED
16 AND COMPLETED IN AN OPEN PUBLIC MEETING; AMENDING CHAPTER 29, TITLE 50,
17 IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-2905A, IDAHO CODE, TO
18 PROVIDE FOR AN ELECTION ON CERTAIN PROJECTS AND TO DEFINE TERMS; AMEND-
19 ING CHAPTER 29, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION
20 50-2913, IDAHO CODE, TO PROVIDE FOR URBAN RENEWAL PLANS BE SUBMITTED TO
21 THE STATE TAX COMMISSION TO PROVIDE PENALTIES FOR A FAILURE TO REPORT;
22 AMENDING SECTION 63-301A, IDAHO CODE, TO PROVIDE FOR INCLUSION ON THE
23 NEW CONSTRUCTION ROLL WHEN A MODIFICATION OF AN URBAN RENEWAL PLAN OC-
24 CURS AND TO MAKE A TECHNICAL CORRECTION; AND PROVIDING SEVERABILITY.

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

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

28 50-2006. URBAN RENEWAL AGENCY. (a) There is hereby created in each mu-
29 nicipality an independent public body corporate and politic to be known as
30 the "urban renewal agency" that was created by resolution as provided in sec-
31 tion 50-2005, Idaho Code, before July 1, 2011, for the municipality; pro-
32 vided, that such agency shall not transact any business or exercise its pow-
33 ers hereunder until or unless: (1) the local governing body has made the
34 findings prescribed in section 50-2005, Idaho Code; and provided further,
35 that such agency created after July 1, 2011, shall not transact any busi-
36 ness or exercise its powers provided for in this chapter until (2) a major-
37 ity of qualified electors, voting in a citywide or countywide election de-
38 pending on the municipality in which such agency is created, vote to autho-
39 rize such agency to transact business and exercise its powers provided for in
40 this chapter. If prior to July 1, 2011, the local governing body has made the
41 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, ~~t~~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
20 a copy of the charges at least ten (10) days prior to such hearing and
21 have had an opportunity to be heard in person or by counsel. Any com-
22 mission position ~~which that~~ becomes vacant at a time other than the ex-
23 piration of a term shall be filled by ~~a majority vote of the board. The~~
24 ~~board may elect any person to fill such vacant position where such per-~~
25 ~~son meets the requirements of a commissioner provided for in this chap-~~
26 ~~ter~~ the mayor or chair of the board of county commissioners, if that is
27 the local governing body, by and with the advice and consent of the local
28 governing body, including the mayor, if applicable, and shall be filled
29 for the unexpired term.

30 (3) By enactment of an ordinance, the local governing body may appoint
31 and designate ~~itself~~ from among its members to be members of the board of
32 commissioners of the urban renewal agency, provided that such represen-
33 tation shall be less than a majority of the board of commissioners of the
34 urban renewal agency of the members of the local governing body on and
35 after July 1, 2017, in which case all the rights, powers, duties, privi-
36 leges and immunities vested by the urban renewal law of 1965, and as
37 amended, in an appointed board of commissioners, shall be vested in the
38 local governing body, who shall, in all respects when acting as an urban
39 renewal agency, be acting as an arm of state government, entirely sepa-
40 rate and distinct from the municipality, to achieve, perform and accom-
41 plish the public purposes prescribed and provided by said urban renewal
42 law of 1965, and as amended.

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

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

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

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

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

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

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

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1 (d) An urban renewal agency shall have the same fiscal year as a municipi-
2 pality and shall be subject to the same audit requirements as a municipality.
3 An urban renewal agency shall be required to prepare and file with its lo-
4 cal governing body an annual financial report and shall prepare, approve and
5 adopt an annual budget for filing with the local governing body, for informa-
6 tional purposes. A budget means an annual estimate of revenues and expenses
7 for the following fiscal year of the agency.

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

13 SECTION 2. That Section 50-2017, Idaho Code, be, and the same is hereby
14 amended to read as follows:

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

39 SECTION 3. That Section 50-2033, Idaho Code, be, and the same is hereby
40 amended to read as follows:

41 50-2033. PROHIBITED AMENDMENTS. Except for consolidation of revenue
42 allocation areas, a revenue allocation area may ~~not~~ only be amended to ex-
43 tend its boundaries as set forth herein. An amendment to an urban renewal
44 plan ~~created under this chapter~~ that does not seek to increase the geographic
45 area of the plan, or does not seek to extend the years of the plan beyond the
46 maximum term allowed under chapter 29, title 50, Idaho Code, is not a pro-

1 hibited amendment, but may be subject to the limitations set forth in sec-
2 tion 50-2903A, Idaho Code. No plan amendment to an existing revenue allo-
3 cation area shall be interpreted to or shall cause an extension of the lim-
4 itations established for the existing revenue allocation area as set forth
5 in section 50-2904, Idaho Code. Notwithstanding these limitations, an ur-
6 ban renewal plan that includes a revenue allocation area may be extended only
7 one (1) time to extend the boundary of the revenue allocation so long as the
8 total area to be added is not greater than ten percent (10%) of the exist-
9 ing revenue allocation area and the area to be added is contiguous to the
10 existing revenue allocation area but such contiguity cannot be established
11 solely by a shoestring or strip of land which comprises a railroad or public
12 right-of-way.

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

15 50-2903. DEFINITIONS. The following terms used in this chapter shall
16 have the following meanings, unless the context otherwise requires:

- 17 (1) "Act" or "this act" means this revenue allocation act.
- 18 (2) "Agency" or "urban renewal agency" means a public body created pur-
19 suant to section 50-2006, Idaho Code.
- 20 (3) "Authorized municipality" or "municipality" means any county or
21 incorporated city which has established an urban renewal agency, or by or-
22 dinance has identified and created a competitively disadvantaged border
23 community.
- 24 (4) Except as provided in section 50-2903A, Idaho Code, "Base assess-
25 ment roll" means the equalized assessment rolls, for all classes of taxable
26 property, on January 1 of the year in which the local governing body of an au-
27 thorized municipality passes an ordinance adopting or modifying an urban re-
28 newal plan containing a revenue allocation financing provision, except that
29 the base assessment roll shall be adjusted as follows: the equalized as-
30 sessment valuation of the taxable property in a revenue allocation area as
31 shown upon the base assessment roll shall be reduced by the amount by which
32 the equalized assessed valuation as shown on the base assessment roll ex-
33 ceeds the current equalized assessed valuation of any taxable property lo-
34 cated in the revenue allocation area, and by the equalized assessed valu-
35 ation of taxable property in such revenue allocation area that becomes ex-
36 empt from taxation subsequent to the date of the base assessment roll. The
37 equalized assessed valuation of the taxable property in a revenue allocation
38 area as shown on the base assessment roll shall be increased by the equalized
39 assessed valuation, as of the date of the base assessment roll, of taxable
40 property in such revenue allocation area that becomes taxable after the date
41 of the base assessment roll, provided any increase in valuation caused by
42 the removal of the agricultural tax exemption from undeveloped agricultural
43 land in a revenue allocation area shall be added to the base assessment roll.
- 44 (5) "Budget" means an annual estimate of revenues and expenses for the
45 following fiscal year of the agency. An agency shall, by September 1 of each
46 calendar year, adopt and publish, as described in section 50-1002, Idaho
47 Code, a budget for the next fiscal year. An agency may amend its adopted
48 budget using the same procedures as used for adoption of the budget. For

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

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

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

35 (8) "Deteriorated area" means:

36 (a) Any area, including a slum area, in which there is a predominance
37 of buildings or improvements, whether residential or nonresidential,
38 which by reason of dilapidation, deterioration, age or obsolescence,
39 inadequate provision for ventilation, light, air, sanitation, or open
40 spaces, high density of population and overcrowding, or the existence
41 of conditions which endanger life or property by fire and other causes,
42 or any combination of such factors, is conducive to ill health, trans-
43 mission of disease, infant mortality, juvenile delinquency, or crime,
44 and is detrimental to the public health, safety, morals or welfare.

45 (b) Any area which by reason of the presence of a substantial number of
46 deteriorated or deteriorating structures, predominance of defective or
47 inadequate street layout, faulty lot layout in relation to size, ade-
48 quacy, accessibility or usefulness, insanitary or unsafe conditions,
49 deterioration of site or other improvements, diversity of ownership,
50 tax or special assessment delinquency exceeding the fair value of the

1 land, defective or unusual conditions of title, or the existence of con-
2 ditions which endanger life or property by fire and other causes, or any
3 combination of such factors, results in economic underdevelopment of
4 the area, substantially impairs or arrests the sound growth of a munici-
5 pality, retards the provision of housing accommodations or constitutes
6 an economic or social liability and is a menace to the public health,
7 safety, morals or welfare in its present condition and use.

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

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

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

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

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

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

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

40 (12) "Plan" or "urban renewal plan" means a plan, as it exists or may
41 from time to time be amended, prepared and approved pursuant to sections
42 50-2008 and 50-2905, Idaho Code, and any method or methods of financing such
43 plan, which methods may include revenue allocation financing provisions.

44 (13) "Project" or "urban renewal project" or "competitively disadvan-
45 taged border areas" may include undertakings and activities of a municipal-
46 ity in an urban renewal area for the elimination of deteriorated or deterio-
47 rating areas and for the prevention of the development or spread of slums and
48 blight and may involve slum clearance and redevelopment in an urban renewal
49 area, or rehabilitation or conservation in an urban renewal area, or any com-

1 bination or part thereof in accordance with an urban renewal plan. Such un-
2 dertakings and activities may include:

3 (a) Acquisition of a deteriorated area or a deteriorating area or por-
4 tion thereof;

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

6 (c) Installation, construction, or reconstruction of streets, utili-
7 ties, parks, playgrounds, open space, off-street parking facilities,
8 public facilities, public recreation and entertainment facilities or
9 buildings and other improvements necessary for carrying out, in the ur-
10 ban renewal area or competitively disadvantaged border community area,
11 the urban renewal objectives of this act in accordance with the urban
12 renewal plan or the competitively disadvantaged border community area
13 ordinance.

14 (d) Disposition of any property acquired in the urban renewal area or
15 the competitively disadvantaged border community area (including sale,
16 initial leasing or retention by the agency itself) or the municipality
17 creating the competitively disadvantaged border community area at its
18 fair value for uses in accordance with the urban renewal plan except for
19 disposition of property to another public body;

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

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

28 (g) Acquisition of any other real property in the urban renewal area
29 or competitively disadvantaged border community area where necessary
30 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-
31 sity, eliminate obsolete or other uses detrimental to the public wel-
32 fare, or otherwise to remove or to prevent the spread of blight or dete-
33 rioration, or to provide land for needed public facilities or where nec-
34 essary to accomplish the purposes for which a competitively disadvan-
35 tagged border community area was created by ordinance;

36 (h) Lending or investing federal funds; and

37 (i) Construction of foundations, platforms and other like structural
38 forms.

39 (14) "Project costs" includes, but is not limited to:

40 (a) Capital costs, including the actual costs of the construction of
41 public works or improvements, facilities, buildings, structures, and
42 permanent fixtures; the demolition, alteration, remodeling, repair or
43 reconstruction of existing buildings, structures, and permanent fix-
44 tures; the acquisition of equipment; and the clearing and grading of
45 land;

46 (b) Financing costs, including interest during construction and capi-
47 talized debt service or repair and replacement or other appropriate re-
48 serves;

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

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

38 50-2903A. EFFECT OF ORDINANCE TO MODIFY URBAN RENEWAL PLAN -- EXCEP-
39 TION. (1) (a) On and after July 1, 2016, except as provided in subsection (2)
40 of this section, when an urban renewal plan containing a revenue allocation
41 financing provision is modified through an ordinance of the authorized mu-
42 nicipality, the base value for the year immediately following the year in
43 which the modification occurred shall include the current year's equalized
44 assessed value of the taxable property in a revenue allocation area. The ur-
45 ban renewal agency shall be required annually to attest to having or not hav-
46 ing modified any of its plans. If no modification has occurred, the urban re-
47 newal agency shall attest that fact on an affidavit provided by the state tax

1 commission before the first Monday of June of each year. Modification shall
2 not be deemed to have occurred when:

3 (i) There is a plan amendment to make technical or ministerial
4 changes to a plan that do not involve an increase in the use of rev-
5 enues allocated to the agency pursuant to section 50-2908, Idaho
6 Code; or

7 (ii) There is a plan amendment to accommodate an increase in the
8 revenue allocation area boundary as permitted in section 50-2033,
9 Idaho Code; or

10 (iii) There is a plan amendment to accommodate a deannexation in
11 the revenue allocation area boundary; or

12 (iv) There is a plan amendment to identify additional urban re-
13 newal projects supporting an unanticipated new economic develop-
14 ment opportunity in an existing revenue allocation area. For pur-
15 poses of this subsection and subject to section 50-2905A, Idaho
16 Code, "economic development opportunity" means the development of
17 a commercial or industrial enterprise either by promoting the cre-
18 ation or retention of jobs within the state or by increasing the
19 increment value within the revenue allocation area.

20 (b) Notice of any plan modification shall state the nature of the mod-
21 ification and shall be provided to the state tax commission, the county
22 clerk and the county assessor by the first Monday in June of the years
23 following the modification.

24 (c) Once a modification is deemed to have occurred, the base assessment
25 value shall be reset pursuant to subsection (1) of this section.

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

35 (a) That the indebtedness could not be repaid by the agency prior to
36 the termination of the revenue allocation area without the allocation
37 of property tax revenues as provided in section 50-2908, Idaho Code; and

38 (b) The estimated total budget to be used for paying indebtedness dur-
39 ing each year until termination of the revenue allocation area, the
40 amount of nonproperty tax revenue to be used by the agency to pay indebt-
41 edness each year year, and the estimated amount of revenue to be allo-
42 cated to the agency for the modified revenue allocation area pursuant
43 to section 50-2908, Idaho Code, to be used for paying indebtedness. For
44 purposes of this section "indebtedness" shall mean any bonds, including
45 refunding bonds, notes, interim certificates, certificates of indebt-
46 edness, debentures or other obligations, together with all expenses
47 necessary to comply with all covenants related to the indebtedness.

48 (3) To the extent the amount of revenue allocated to the modified rev-
49 enue allocation area pursuant to section 50-2908, Idaho Code, exceeds the
50 amount necessary to pay indebtedness certified in subsection (2) (b) of this

1 section, the excess shall be distributed by the county clerk to each taxing
2 district or unit in the same manner as property taxes, except that each tax-
3 ing district or unit shall be notified of the amount of any distribution of
4 excess urban renewal allocations included in any distribution. For purposes
5 of the limitation provided by section 63-802, Idaho Code, moneys received by
6 any taxing district or unit pursuant to this subsection shall be treated as
7 property tax revenue.

8 (4) Within thirty (30) days from the time the state tax commission re-
9 ceives information that an urban renewal plan for a revenue allocation area
10 has been modified, the state tax commission shall notify the urban renewal
11 agency and the county clerk of such receipt and the determination regarding
12 any limits on the maximum amount of property tax revenue that will be allo-
13 cated to the urban renewal agency from the current year's property taxes.

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

16 50-2905. RECOMMENDATION OF URBAN RENEWAL AGENCY. In order to imple-
17 ment the provisions of this chapter, the urban renewal agency of the munic-
18 ipality shall prepare and adopt a plan for each revenue allocation area and
19 submit the plan and recommendation for approval thereof to the local govern-
20 ing body. The plan shall include with specificity:

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

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

26 (3) An economic feasibility study;

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

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

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

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

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

44 (9) Any changes to an urban renewal plan as provided in subsections (2)
45 and (6) of this section shall be noticed and shall be completed in an open
46 public meeting.

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

4 50-2905A. ELECTION NECESSARY FOR EXPENDITURES ON CERTAIN
5 PROJECTS. (1) Notwithstanding any other provision of this chapter, on and
6 after July 1, 2016, it shall be unlawful for an urban renewal agency to expend
7 revenue collected under this chapter on project costs when the amount of
8 revenue collected under this chapter contributes to fifty-one percent (51%)
9 or more of the total project cost and the project is for construction of a
10 municipal building that will not be subject to property taxation or unless
11 such construction project is first approved in an election by fifty-five
12 percent (55%) of the electors residing within the borders of the qualified
13 municipality. An election pursuant to this section shall be in accordance
14 with the provisions of chapter 1, title 34, Idaho Code.

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

17 (a) "Municipal building" means only an administrative building, city
18 hall, library, courthouse or other judicial buildings, jail, detention
19 center and school facilities provided that public parking structures or
20 publicly owned infrastructure that shall constitute streets, sewer or
21 water connections, sidewalks, gutters, utilities or fiber optic cable
22 shall not be a municipal building for purposes of this section;

23 (b) "Project costs" shall have the same meaning as provided for in sec-
24 tion 50-2008, Idaho Code.

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 applicable
30 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 agency" shall have the same meaning
33 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.

1 The registry listing will be available on the state tax commission web-
2 site by July 1, 2017.

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

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

8 (2) On or before December 1 of each year, every urban renewal agency
9 shall submit to the central registry the following information each urban
10 renewal plan adopted or modified pursuant to sections 50-2008 and 50-2905,
11 Idaho Code, and any modifications or amendments to those plans.

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

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

19 (3) Notification and penalties.

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

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

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

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

15 (i) Require a meeting of the board of county commissioners and the
16 urban renewal agency's governing body wherein the board of county
17 commissioners shall require compliance of this section by the en-
18 tity; and

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

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

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

31 63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall prepare
32 a new construction roll, which shall be in addition to the property roll,
33 which new construction roll shall show:

34 (a) The name of the taxpayer;

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

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

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

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

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

- 1 (i) Any board of tax appeals or court ordered value change, if
- 2 property has a taxable value lower than that shown on any new con-
- 3 struction roll in any one (1) of the immediate five (5) tax years
- 4 preceding the current tax year;
- 5 (ii) Any reduction in value resulting from correction of value im-
- 6 properly included on any previous new construction roll as a re-
- 7 sult of double or otherwise erroneous assessment;
- 8 (iii) Any reduction in value, in any one (1) of the immediate five
- 9 (5) tax years preceding the current tax year, resulting from a
- 10 change of land use classification;
- 11 (iv) Any reduction in value resulting from the exemption provided
- 12 in section 63-602W(4), Idaho Code, in any one (1) of the immediate
- 13 five (5) tax years preceding the current tax year.

14 (2) As soon as possible, but in any event by no later than the first Mon-

15 day in June, the new construction roll shall be certified to the county audi-

16 tor and a listing showing the amount of value on the new construction roll in

17 each taxing district or unit be forwarded to the state tax commission on or

18 before the fourth Monday in July. Provided however, the value shown in sub-

19 section (3) (f) of this section shall be reported to the appropriate county

20 auditor by the state tax commission by the third Monday in July and the value

21 sent by the county auditor to each taxing district. The value established

22 pursuant to subsection (3) (f) of this section is subject to correction by the

23 state tax commission until the first Monday in September and any such correc-

24 tions shall be sent to the appropriate county auditor, who shall notify any

25 affected taxing districts.

26 (3) The value shown on the new construction roll shall include the tax-

27 able market value increase from:

- 28 (a) Construction of any new structure that previously did not exist; or
- 29 (b) Additions or alterations to existing nonresidential structures; or
- 30 (c) Installation of new or used manufactured housing that did not pre-
- 31 viously exist within the county; or
- 32 (d) Change of land use classification; or
- 33 (e) Property newly taxable as a result of loss of the exemption provided
- 34 by section 63-602W(3) or (4), Idaho Code; or
- 35 (f) The construction of any improvement or installation of any equip-
- 36 ment used for or in conjunction with the generation of electricity and
- 37 the addition of any improvement or equipment intended to be so used, ex-
- 38 cept property that has a value allocated or apportioned pursuant to sec-
- 39 tion 63-405, Idaho Code, or that is owned by a cooperative or municipal-
- 40 ity, as those terms are defined in section 61-332A, Idaho Code, or that
- 41 is owned by a public utility, as that term is defined in section 61-332A,
- 42 Idaho Code, owning any other property that is allocated or apportioned.
- 43 No replacement equipment or improvements may be included; or
- 44 (g) Provided such increases do not include increases already reported
- 45 on the new construction roll, as permitted in paragraphs (j) and (k) of
- 46 this subsection, i increases in value over the base value of property
- 47 on the base assessment roll within an urban renewal revenue allocation
- 48 area that has been terminated pursuant to section 50-2909(4), Idaho
- 49 Code, to the extent that this increment exceeds the incremental value
- 50 as of December 31, 2006, or, for revenue allocation areas formed after

1 December 31, 2006, the entire increment value. Notwithstanding other
2 provisions of this section, the new construction roll shall not include
3 new construction located within an urban renewal district's revenue al-
4 location area, except as provided in this ~~subsection (3) (g) paragraph;~~
5 or

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

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

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

27 (k) Increases in base value when due to previously determined incre-
28 ment value added to the base value as a result of a deannexation within
29 a revenue allocation area as defined in section 50-2903, Idaho Code. In
30 this case, the amount added to the new construction roll will equal the
31 amount by which the increment value in the year immediately preceding
32 the year in which the deannexation described in this subsection occurs
33 exceeds the incremental value as of December 31, 2006, or, for revenue
34 allocation areas formed after December 31, 2006, the entire increment
35 value within the area subject to the deannexation.

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

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

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17

1 URBAN RENEWAL - Amends and adds to existing law regarding urban renewal to
2 revise the makeup of boards, to allow an elected board; to revise provisions
3 regarding interested public officials commissioners or employees of an ur-
4 ban renewal district; to provide for a vote on tax increment financed munic-
5 ipal buildings; and to provide for the effect of a modification of an urban
6 renewal plan.