

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 637

BY LOCAL GOVERNMENT COMMITTEE

AN ACT

1 RELATING TO COMMUNITY INFRASTRUCTURE DISTRICTS; AMENDING SECTION 50-3102,
2 IDAHO CODE, TO REVISE A DEFINITION AND TO MAKE TECHNICAL CORRECTIONS;
3 AMENDING SECTION 50-3104, IDAHO CODE, TO REVISE PROVISIONS REGARDING
4 THE MEMBERSHIP OF A COMMUNITY INFRASTRUCTURE DISTRICT BOARD AND TO MAKE
5 TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EF-
6 FECTIVE DATE.
7

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

9 SECTION 1. That Section 50-3102, Idaho Code, be, and the same is hereby
10 amended to read as follows:

11 50-3102. DEFINITIONS. As used in this chapter, the following terms
12 shall have the meanings as stated:

13 (1) "Assessment area" means real property within the boundaries of a
14 community infrastructure district that is the subject of a specific special
15 assessment as set forth in this chapter.

16 (2) "Community infrastructure" means improvements that have a substan-
17 tial nexus to the district and directly or indirectly benefit the district.
18 Community infrastructure excludes public improvements fronting individual
19 single-family residential lots. Community infrastructure includes plan-
20 ning, design, engineering, construction, acquisition or installation of
21 such infrastructure, including the costs of applications, impact fees and
22 other fees, permits and approvals related to the construction, acquisition
23 or installation of such infrastructure, and incurring expenses incident to
24 and reasonably necessary to carry out the purposes of this chapter. Com-
25 munity infrastructure includes all public facilities as defined in section
26 67-8203(24), Idaho Code, and, to the extent not already included within the
27 definition in section 67-8203(24), Idaho Code, the following:

28 (a) Highways, parkways, expressways, interstates, or other such des-
29 ignations, interchanges, bridges, crossing structures, and related ap-
30 purtenances;

31 (b) Public parking facilities, including all areas for vehicular use
32 for travel, ingress, egress and parking;

33 (c) Trails and areas for pedestrian, equestrian, bicycle or other non-
34 motor vehicle use for travel, ingress, egress and parking;

35 (d) Public safety facilities;

36 (e) Acquiring interests in real property for community infrastructure;

37 (f) Financing costs related to the construction of items listed in this
38 subsection; and

39 (g) Impact fees.

40 (3) "Community infrastructure segment" means a separate or a dis-
41 cernible portion of a construction contract attributable to community
42 infrastructure.

1 (4) "Debt service" means the principal of, interest on and premium, if
2 any, on the bonds, when due, whether at maturity or prior redemption, and
3 fees and costs of registrars, trustees, paying agents or other agents nec-
4 essary to handle the bonds and the costs of credit enhancement or liquidity
5 support.

6 (5) "District" means a community infrastructure district formed pur-
7 suant to this chapter. A district formed after July 1, 2022, shall not ex-
8 clude from the district any land that is completely surrounded by property in
9 the district. A district shall only include contiguous property at the time
10 of formation. Land that is connected by only a shoestring or strip of land
11 ~~which that~~ comprises a railroad or highway right-of-way shall not be consid-
12 ered contiguous for the purposes of this chapter. Subsequent to a district's
13 formation, a district may include noncontiguous property but only if specif-
14 ically determined by the district board to have a substantial nexus to the
15 initial district or to the community infrastructure contemplated by the ini-
16 tial district, and then authorized by the district board in its discretion
17 and pursuant to section 50-3106, Idaho Code.

18 (6) "District board" means the board of directors of the district.

19 (7) "District development agreement" means an agreement between a
20 property owner or developer, the county or city, any other political subdivi-
21 sion of the state, and/or the district. A district development agreement
22 shall be used to establish obligations of the parties to the agreement re-
23 lating to district financing and development, including: intergovernmental
24 agreements; the ultimate public ownership of the community infrastructure
25 financed by the district; the understanding of the parties with regard to
26 future annexations of property into the district; the total amount of bonds
27 to be issued by the district and the property taxes and special assessments
28 to be levied and imposed to repay the bonds and the provisions regarding
29 the disbursement of bond proceeds; the financial assurances, if any, to be
30 provided with respect to the bonds; impact and other fees imposed by govern-
31 mental authorities, including credit, prepayment and/or reimbursement with
32 respect thereto; and other matters relating to the community infrastruc-
33 ture, such as construction, acquisition, planning, design, inspection, own-
34 ership and control. A district development agreement shall be in addition
35 to and shall not supplant any development agreement entered into pursuant to
36 section 67-6511A, Idaho Code, pursuant to which a governing body may require
37 or permit as a condition of rezoning that an owner or developer make a written
38 commitment concerning the use or development of the subject parcel.

39 (8) "General plan" means the general plan described in section
40 50-3103(1), Idaho Code, as the plan may be amended from time to time.

41 (9) "Governing body" means the county commissioners or city council
42 that by law is constituted as the governing body of the county or city in
43 which the district is located. Reference in this chapter to "governing body
44 or bodies" shall mean the governing body or bodies of each county and city in
45 which the district is located.

46 (10) "Owner" means the person listed as the owner of real property
47 within the district or a proposed district on the current property rolls
48 in effect at the time that the action, proceeding, hearing or election has
49 begun; provided however, that if a person listed on the property rolls is no
50 longer the owner of real property within the district or a proposed district

1 and the name of the successor owner becomes known and is verified by recorded
2 deed or other similar evidence of transfer of ownership, the successor owner
3 shall be deemed to be the owner for the purposes of this chapter.

4 (11) "Market value for assessment purposes" means the amount of the
5 last preceding equalized assessment of all taxable property and excludes
6 all property exempt from taxation pursuant to section 63-602G, Idaho Code,
7 within the community infrastructure district on the tax rolls completed and
8 available as of the date of approval in the district bond issuance.

9 (12) "Person" means any entity, individual, corporation, partnership,
10 firm, association, limited liability company, limited liability partner-
11 ship, trust or other such entities as recognized by the state of Idaho. A
12 "person in interest" is any person who is a qualified elector in the dis-
13 trict, who is an owner of real property in the district or who is a real prop-
14 erty taxpayer in the district.

15 (13) "Qualified elector" means a person who possesses all of the quali-
16 fications required of electors under the general laws of the state of Idaho
17 and:

18 (a) Resides within the boundaries of a district or a proposed district
19 and who is a qualified elector. For purposes of this chapter, such elec-
20 tor shall also be known as a "resident qualified elector"; or

21 (b) Is an owner of real property that is located within the district or a
22 proposed district, who is not a resident qualified elector as set forth
23 above. For purposes of this chapter, such elector shall also be known as
24 an "owner qualified elector."

25 (14) "Special assessment" means an assessment imposed upon real prop-
26 erty located within an assessment area for a specific purpose and of a
27 special benefit to the affected property, collected and enforced in the same
28 manner as property taxes, that may be apportioned according to the direct or
29 indirect special benefits conferred upon the affected property, as well as
30 any, or any combination, of the following: acreage, square footage, front
31 footage, the cost of providing community infrastructure for the affected
32 property, or any other reasonable method as determined by the district
33 board.

34 SECTION 2. That Section 50-3104, Idaho Code, be, and the same is hereby
35 amended to read as follows:

36 50-3104. DISTRICT ORGANIZATION. (1) If the petition for formation
37 of the district is granted, the district shall comply with the filing and
38 recording requirements of section 63-215, Idaho Code, and shall also cause a
39 copy of the applicable resolution to be delivered to the county assessor of
40 each county in which the district is located, cause a copy of the applicable
41 resolution to be recorded with the county clerk in each county in which the
42 district is located, and cause a copy of the applicable resolution to be
43 filed with the state tax commission.

44 (2) Members of the governing body or bodies at the time of formation
45 shall serve as the district board.

46 (a) If the district is located entirely within the boundaries of a city,
47 three (3) members of the city council chosen by the city council shall
48 serve as the district board.

1 **(b)** If the district is located entirely within the boundaries of a
2 county and outside the boundaries of any city, the county commissioners
3 of the county in which the district is located shall serve as the dis-
4 trict board.

5 **(c)** If the district is located within the jurisdiction of more than
6 one (1) governing body, two (2) members of each governing body shall be
7 appointed by that governing body to serve on the district board and, in
8 addition, the governing body within whose jurisdiction the largest land
9 area of the district is located shall appoint another member from its
10 governing body to serve as an additional member of the district board,
11 so that the district board will always be comprised of an odd number
12 of members. For purposes of determining which jurisdiction has such
13 largest land area, the land area in the district that is within the in-
14 corporated city limits shall be considered as being the land area of the
15 city and shall not be considered as part of the land area of the county in
16 which the city is located.

17 **(d)** If an area is added to the district pursuant to section 50-3106(2),
18 Idaho Code, and such area is located in a city or county not already rep-
19 resented on the district board, or if the addition of such area changes
20 the jurisdiction in which the largest land area of the district is lo-
21 cated, the membership of the district board, at the time of addition of
22 such area, shall be adjusted in conformity with the foregoing.

23 **(e)** If an area is deleted from the district pursuant to section
24 50-3106(1), Idaho Code, and, as a result, a county or city no longer has
25 area within the district, or such deletion changes the jurisdiction in
26 which the largest land area of the district is located, the membership
27 of the district board, at the time of deletion of such area, shall be
28 adjusted in conformity with the foregoing.

29 **(f)** If an area is annexed or deannexed by a city and, as a result, the
30 jurisdiction of a county or city is changed, the membership of the dis-
31 trict board at the time of such annexation or deannexation shall be ad-
32 justed in conformity with the foregoing.

33 **(g)** In the case of an area in a district that is impacted by a county or
34 city that has redrawn its county commissioner boundaries or has changed
35 from at-large city council elections to city council district elec-
36 tions, the membership of the district board at the time of such changes
37 shall be adjusted to include:

38 **(i)** One (1) homeowner residing in the district, to be appointed by
39 the city council;

40 **(ii)** One (1) city council member whose new city council district
41 or one (1) county commissioner whose new county commissioner dis-
42 trict includes the community infrastructure district, to be ap-
43 pointed by the member's governing body. Provided, only one (1)
44 member shall be appointed to the district board pursuant to this
45 subparagraph, regardless of the number of city council districts
46 or county commissioner districts included in the community infra-
47 structure district; and

48 **(iii)** One (1) additional city council member or county commis-
49 sioner, to be appointed by the member's governing body.

1 (h) The boards of county commissioners and the city councils, as such
2 governing bodies, are hereby specifically authorized to act in a joint
3 manner for ~~such~~ the purposes of implementing the provisions of this sub-
4 section.

5 (3) Within thirty (30) days after the date of the resolution ordering
6 formation of the district, and annually thereafter, the district board shall
7 meet and elect a chairman and ~~vice-chairman~~ vice chairman to act as the of-
8 ficers of the district board. The district board shall, unless otherwise
9 agreed to by a majority of the board, meet in the county or city within which
10 the largest land area of the district is located. The district shall keep the
11 following records, which shall be open to public inspection:

- 12 (a) Minutes of all meetings of the district board;
13 (b) All resolutions;
14 (c) Accounts showing all moneys received and disbursed;
15 (d) The annual budget; and
16 (e) All other records required to be maintained by law.

17 (4) The district manager shall be the manager or equivalent of the
18 city or county, the district treasurer shall be the treasurer of the city or
19 county, the district clerk shall be the district clerk of the city or county,
20 respectively, unless the district board engages an outside firm to perform
21 the tasks of the district's manager, treasurer and clerk as well as other
22 duties as may be prescribed by the district board. Where a district contains
23 multiple county or city jurisdictions, the board shall designate by resolu-
24 tion the manager, treasurer and clerk.

25 (5) The district manager shall have charge and supervision of the daily
26 operations of the district. The district manager may hire or otherwise em-
27 ploy and terminate the employment of such persons, including professional,
28 supervisory and clerical employees, as may be necessary and authorized by
29 the board.

30 (6) The treasurer of the district shall have such duties as the dis-
31 trict board may prescribe, together with the duty to keep account with the
32 district, ~~to~~ to place to the credit of the district all moneys received by him
33 or her from the collection of special assessments, taxes or from any other
34 sources, and all other moneys belonging to the district, and to pay over all
35 moneys belonging to the district on legally drawn warrants or orders of the
36 district board.

37 (7) The clerk of the district shall have such duties as the district
38 board may prescribe, together with the duty to conduct district elections
39 and to prepare and distribute legal notices.

40 (8) The district shall be separate and apart from any county or city.
41 The members of the district board, when serving in their official capacity as
42 members of the district board, shall act on behalf of the district and not as
43 members of a board of county commissioners or as members of a city council.

44 (9) The district board shall administer in a reasonable manner the im-
45 plementation of the general plan.

46 (10) The district shall exist until dissolved pursuant to section
47 50-3116, Idaho Code.

48 SECTION 3. An emergency existing therefor, which emergency is hereby
49 declared to exist, this act shall be in full force and effect on and after
50 July 1, 2022.