

TITLE 50
MUNICIPAL CORPORATIONS

CHAPTER 29
LOCAL ECONOMIC DEVELOPMENT ACT

50-2901. SHORT TITLE. This act may be known and cited as the "Local Economic Development Act."

[50-2901, added 1988, ch. 210, sec. 1, p. 393.]

50-2902. FINDINGS AND PURPOSE. It is hereby found and declared that there exists in municipalities a need to raise revenue to finance the economic growth and development of urban renewal areas and competitively disadvantaged border community areas. The purpose of this act is to provide for the allocation of a portion of the property taxes levied against taxable property located in a revenue allocation area for a limited period of time to assist in the financing of urban renewal plans, to encourage private development in urban renewal areas and competitively disadvantaged border community areas, to prevent or arrest the decay of urban areas due to the inability of existing financing methods to promote needed public improvements, to encourage taxing districts to cooperate in the allocation of future tax revenues arising in urban areas and competitively disadvantaged border community areas in order to facilitate the long-term growth of their common tax base, and to encourage private investment within urban areas and competitively disadvantaged border community areas. The foregoing purposes are hereby declared to be valid public purposes for municipalities.

[50-2902, added 1988, ch. 210, sec. 2, p. 393; am. 1990, ch. 430, sec. 3, p. 1190; am. 1994, ch. 381, sec. 1, p. 1223.]

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

- (1) "Act" or "this act" means this revenue allocation act.
- (2) "Agency" or "urban renewal agency" means a public body created pursuant to section [50-2006](#), Idaho Code.
- (3) "Authorized municipality" or "municipality" means any county or incorporated city that has established an urban renewal agency or by ordinance has identified and created a competitively disadvantaged border community.
- (4) Except as provided in section [50-2903A](#), Idaho Code, "base assessment roll" means the equalized assessment rolls, for all classes of taxable property, on January 1 of the year in which the local governing body of an authorized municipality passes an ordinance adopting or modifying an urban renewal plan containing a revenue allocation financing provision, except that the base assessment roll shall be adjusted as follows: the equalized assessment valuation of the taxable property in a revenue allocation area as shown upon the base assessment roll shall be reduced by the amount by which the equalized assessed valuation as shown on the base assessment roll exceeds the current equalized assessed valuation of any taxable property located in the revenue allocation area and by the equalized assessed valuation of taxable property in such revenue allocation area that becomes exempt from taxation subsequent to the date of the base assessment roll. The equalized assessed valuation of the taxable property in a revenue allocation

area as shown on the base assessment roll shall be increased by the equalized assessed valuation, as of the date of the base assessment roll, of taxable property in such revenue allocation area that becomes taxable after the date of the base assessment roll. Any increase in valuation due to property owned, leased, or used in the operation of a business entity that makes capital investments in one (1) or more data centers, as defined in section [63-3622VV](#)(2) (f), Idaho Code, after July 1, 2020, in amounts of at least two hundred fifty million dollars (\$250,000,000) in the aggregate within the first five (5) years after commencement of construction, that creates and maintains at least thirty (30) new jobs at the data center within two (2) calendar years after the commencement of operations, and that is located in a revenue allocation area for which no bonds have been issued pursuant to section [50-2909](#), Idaho Code, as of March 16, 2023, shall be added to the base assessment roll in the current tax year. An urban renewal plan containing a revenue allocation financing provision adopted or modified prior to July 1, 2016, is not subject to section [50-2903A](#), Idaho Code. For plans adopted or modified prior to July 1, 2016, and for subsequent modifications of those urban renewal plans, the value of the base assessment roll of property within the revenue allocation area shall be determined as if the modification had not occurred.

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

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

(7) "Competitively disadvantaged border community area" means a parcel of land consisting of at least forty (40) acres that is situated within the jurisdiction of a county or an incorporated city and within twenty-five (25)

miles of a state or international border, which the governing body of such county or incorporated city has determined by ordinance is disadvantaged in its ability to attract business, private investment, or commercial development as a result of a competitive advantage in the adjacent state or nation resulting from inequities or disparities in comparative sales taxes, income taxes, property taxes, population or unique geographic features.

(8) "Deteriorated area" means:

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

(b) Any area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions that endanger life or property by fire and other causes, or any combination of such factors, results in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.

(c) Any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section [50-2008](#)(d), Idaho Code, shall apply to open areas.

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

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

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

(9) "Facilities" means land, rights in land, buildings, structures, machinery, landscaping, extension of utility services, approaches, road-

ways and parking, handling and storage areas, and similar auxiliary and related facilities.

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

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

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

(13) "Project" or "urban renewal project" or "competitively disadvantaged border areas" may include undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated or deteriorating areas and for the prevention of the development or spread of slums and blight and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan. Such undertakings and activities may include:

(a) Acquisition of a deteriorated area or a deteriorating area or portion thereof;

(b) Demolition and removal of buildings and improvement;

(c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, open space, off-street parking facilities, public facilities, public recreation and entertainment facilities or buildings and other improvements necessary for carrying out, in the urban renewal area or competitively disadvantaged border community area, the urban renewal objectives of this act in accordance with the urban renewal plan or the competitively disadvantaged border community area ordinance.

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

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

(f) Acquisition of real property in the urban renewal area or the competitively disadvantaged border community area that, under the urban renewal plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property;

(g) Acquisition of any other real property in the urban renewal area or competitively disadvantaged border community area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration, or to provide land for needed public facilities or where necessary to accomplish the purposes for which a competitively disadvantaged border community area was created by ordinance;

(h) Lending or investing federal funds; and
 (i) Construction of foundations, platforms and other like structural forms.

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

(a) Capital costs, including the actual costs of the construction of public works or improvements, facilities, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; and the clearing and grading of land;

(b) Financing costs, including interest during construction and capitalized debt service or repair and replacement or other appropriate reserves;

(c) Real property assembly costs, meaning any deficit incurred from the sale or lease by a municipality of real or personal property within a revenue allocation district;

(d) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;

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

(f) Relocation costs; and

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

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

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

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

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

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

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

[50-2903, added 1988, ch. 210, sec. 3, p. 393; am. 1990, ch. 430, sec. 4, p. 1190; am. 1994, ch. 381, sec. 2, p. 1223; am. 1996, ch. 322, sec. 54, p. 1081; am. 2000, ch. 275, sec. 1, p. 893; am. 2002, ch. 143, sec. 2, p. 396; am. 2011, ch. 317, sec. 6, p. 918; am. 2016, ch. 349, sec. 3, p. 1017; am. 2023, ch. 308, sec. 1, p. 942.]

50-2903A. EFFECT OF ORDINANCE TO MODIFY URBAN RENEWAL PLAN -- EXCEPTION.

(1) (a) On and after July 1, 2016, except as provided in subsection (2) of this section, when an urban renewal plan containing a revenue allocation financing provision is modified through an ordinance of the authorized municipality, the base value for the year immediately following the year in which the modification occurred shall include the current year's equalized assessed value of the taxable property in a revenue allocation area. The urban renewal agency shall be required annually to attest to having or not having modified any of its plans. If no modification has occurred, the urban renewal agency shall attest that fact on an affidavit provided by the state tax commission before the first Monday in June of each year. Modification shall not be deemed to have occurred when:

(i) There is a plan amendment to make technical or ministerial changes to a plan that does not involve an increase in the use of revenues allocated to the agency pursuant to section [50-2908](#), Idaho Code; or

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

(iii) There is a plan amendment to accommodate a de-annexation in the revenue allocation area boundary; or

(iv) There is a plan amendment to support growth of an existing commercial or industrial project in an existing revenue allocation area, subject to the provisions of section [50-2905A](#), Idaho Code.

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

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

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

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

(b) The estimated total budget to be used for paying indebtedness during each year until termination of the revenue allocation area, the amount of nonproperty tax revenue to be used by the agency to pay indebtedness each year, and the estimated amount of revenue to be allocated to the agency for the modified revenue allocation area pursuant to section [50-2908](#), Idaho Code, to be used for paying indebtedness. For purposes of this section "indebtedness" shall mean any bonds, including refunding bonds, notes, interim certificates, certificates of indebtedness,

debentures or other obligations, together with all expenses necessary to comply with all covenants related to the indebtedness.

(3) To the extent the amount of revenue allocated to the modified revenue allocation area pursuant to section [50-2908](#), Idaho Code, exceeds the amount necessary to pay indebtedness certified in subsection (2) (b) of this section, the excess shall be distributed by the county clerk to each taxing district or unit in the same manner as property taxes, except that each taxing district or unit shall be notified of the amount of any distribution of excess urban renewal allocations included in any distribution. For purposes of the limitation provided by section [63-802](#), Idaho Code, moneys received by any taxing district or unit pursuant to this subsection shall be treated as property tax revenue.

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

[50-2903A, added 2016, ch. 349, sec. 4, p. 1021.]

50-2904. AUTHORITY TO CREATE REVENUE ALLOCATION AREA. An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan or competitively disadvantaged border community area ordinance. A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area or thereafter as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area. Urban renewal plans existing prior to the effective date of this section may be modified to include a revenue allocation financing provision. Except as provided in subsections (1), (2), (3) and (4) of this section, no revenue allocation provision of an urban renewal plan or competitively disadvantaged border community area ordinance, including all amendments thereto, shall have a duration exceeding twenty (20) years from the date the ordinance is approved by the municipality; and provided further, no additions to the land area of an existing revenue allocation area shall be interpreted to or shall cause an extension of the date of the twenty (20) year limit that was originally established for the revenue allocation area. Notwithstanding these limitations, the duration of the revenue allocation financing provision may be extended if:

(1) The maturity date of any bonds issued to provide funds for a specific project in the revenue allocation area and payable from the revenue allocation financing provision exceeds the duration of the revenue allocation financing provision, provided such bond maturity is not greater than twenty (20) years; or

(2) The urban renewal agency determines that it is necessary to refinance outstanding bonds payable from the revenue allocation financing provision to a maturity exceeding the twenty (20) year duration of the revenue allocation financing provision in order to avoid a default on the bonds; or

(3) The local governing body has adopted an urban renewal plan or competitively disadvantaged border community area ordinance or an amendment to an urban renewal plan or competitively disadvantaged border community area

ordinance prior to July 1, 2000, in which is defined the duration of the plan beyond a period of twenty (20) years, in which case the revenue allocation provision shall have a duration as described in such urban renewal plan or competitively disadvantaged border community area ordinance or may be extended as set forth in subsection (2) of this section; and

(4) The local governing body has adopted an urban renewal plan or competitively disadvantaged border community area ordinance or an amendment to an urban renewal plan or competitively disadvantaged border community area ordinance after July 1, 2000, and prior to July 1, 2011, in which is defined the duration of the plan beyond a period of twenty (20) years in which case the revenue allocation provision shall have a duration as described in such urban renewal plan or competitively disadvantaged border community area ordinance. The duration of the revenue allocation financing provision set forth in this subsection may be extended if the maturity date of any bonds issued to provide funds for a specific project in the revenue allocation area and payable from the revenue allocation financing provision exceeds the duration of the revenue allocation financing provision, provided such bond maturity is not greater than thirty (30) years or may be extended as set forth in subsection (2) of this section.

(5) During the extension set forth in subsections (1), (2), (3) and (4) of this section, any revenue allocation area revenues exceeding the amount necessary to repay the bonds during the period exceeding the maximum year maturity of the revenue allocation financing provision shall be returned to the taxing districts in the revenue allocation area on a pro rata basis.

[50-2904, added 1988, ch. 210, sec. 4, p. 396; am. 1994, ch. 381, sec. 3, p. 1226; am. 2000, ch. 275, sec. 2, p. 896; am. 2002, ch. 143, sec. 3, p. 400; am. 2009, ch. 218, sec. 1, p. 680; am. 2011, ch. 317, sec. 7, p. 922.]

50-2905. RECOMMENDATION OF URBAN RENEWAL AGENCY. In order to implement the provisions of this chapter, the urban renewal agency of the municipality shall prepare and adopt a plan for each revenue allocation area and submit the plan and recommendation for approval thereof to the local governing body. The plan shall include with specificity:

- (1) A statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality;
- (2) A statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area;
- (3) An economic feasibility study;
- (4) A detailed list of estimated project costs;
- (5) A fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property on the revenue allocation area;
- (6) A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred;
- (7) A termination date for the plan and the revenue allocation area as provided for in section [50-2903](#)(20), Idaho Code. In determining the termination date, the plan shall recognize that the agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the urban renewal plan;

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

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

[50-2905, added 1988, ch. 210, sec. 5, p. 397; am. 2002, ch. 143, sec. 4, p. 401; am. 2011, ch. 317, sec. 8, p. 923; am. 2016, ch. 349, sec. 5, p. 1022.]

50-2905A. ELECTION NECESSARY FOR EXPENDITURES ON CERTAIN PROJECTS. (1) Notwithstanding any other provision of this chapter, on and after the effective date of this act, it shall be unlawful for an urban renewal agency to expend revenue collected under this chapter on project costs when either the amount of revenue collected under this chapter, or the amount of revenue collected under this chapter plus any other public funds, not including federal funds or federal funds administered by a public body, contributes to fifty-one percent (51%) or more of the total project cost and the project is for construction of a municipal building or a multipurpose sports stadium complex, or the remodel of such a building or complex, with a total project cost exceeding one million dollars (\$1,000,000) unless such construction project is first approved in an election by sixty percent (60%) of the participating qualified electors residing within the borders of the qualified municipality. An election pursuant to this section shall be in accordance with the provisions of [chapter 1, title 34](#), Idaho Code. The total project cost described in this subsection shall not include the cost of any infrastructure or belowground improvements including, but not limited to, water, sewer, storm drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets, roads, curbs, gutters, sidewalks, walkways, parking facilities, or unoccupied auxiliary structures. This section shall not be construed to require an election regarding bonds issued prior to the effective date of this act.

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

(a) "Multipurpose sports stadium complex" means a place or venue for indoor or outdoor sports, concerts, or other events that contains a field or other playing surface or area either partly or completely surrounded by a tiered structure designed to allow spectators to stand or sit and view the event;

(b) "Municipal building" means only an administrative building, city hall, library, courthouse, public safety or law enforcement buildings, other judicial buildings, fire stations, jails, and detention facilities that are not subject to property taxation whether they are, or are intended to be, owned or operated by or leased to a public body for the public's benefit;

(c) "Project costs" shall have the same meaning as provided in section [50-2903](#) (14), Idaho Code;

(d) "Public body" shall have the same meaning as provided in section [50-2018](#) (3), Idaho Code;

(e) "Public funds" shall mean the funds collected or received by a public body but shall not include grants or donations from private entities or individuals to the public body.

[50-2905A, added 2016, ch. 349, sec. 6, p. 1023; am. 2017, ch. 27, sec. 1, p. 50; am. 2019, ch. 321, sec. 1, p. 956.]

50-2906. PUBLIC HEARING AND ORDINANCE REQUIRED. (1) To adopt a new urban renewal plan or create a competitively disadvantaged border community area containing a revenue allocation financing provision, the local governing body of an authorized municipality must enact an ordinance in accordance with [chapter 9, title 50](#), Idaho Code, and section [50-2008](#), Idaho Code. To modify an existing urban renewal plan, to add or change a revenue allocation, an authorized municipality must enact an ordinance in accordance with [chapter 9, title 50](#), Idaho Code, and conduct a public hearing as provided in section [50-2008\(c\)](#), Idaho Code. No urban renewal project, plan, competitively disadvantaged border community area or modification thereto, or revenue allocation financial provision shall be held ineffective for failure to comply with the requirements of this section if compliance with the section is substantial and in good faith and administrative authority of both the local governing body and urban renewal agency does not extend beyond the municipal boundary of the authorized municipality. Urban renewal plans and revenue allocation financing provisions may be held ineffective if an urban renewal area or revenue allocation area extends outside the municipal boundary of an authorized municipality and a transfer of powers ordinance has not been adopted by the cooperating county.

(2) A revenue allocation financing provision adopted in accordance with this chapter shall be effective retroactively to January 1 of the year in which the local governing body of the authorized municipality enacts such ordinance.

(3) The local governing body of an authorized municipality shall prepare a notice stating: (a) that an urban renewal plan or modification thereto or a competitively disadvantaged border community area has been proposed and is being considered for adoption, and that such plan or modification thereto or proposal to create a competitively disadvantaged border community area contains a revenue allocation financing provision that will cause property taxes resulting from any increases in equalized assessed valuation in excess of the equalized assessed valuation as shown on the base assessment roll to be allocated to the agency for urban renewal and competitively disadvantaged border community area purposes; and (b) that an agreement on administration of a revenue allocation financing provision extending beyond the municipal boundary of the authorized municipality has been negotiated with the cooperating county having extraterritorial power and that the agreement has been formalized by a transfer of power ordinance adopted by that county; and (c) that a public hearing on such plan or modification will be held by the local governing body pursuant to section [50-2008\(c\)](#), Idaho Code. The notice shall also state the time, date, and place of the hearing. At least thirty (30) days but not more than sixty (60) days prior to the date set for final reading of the ordinance, the local governing body shall publish the notice in a newspaper of general circulation and transmit the notice, together with a copy of the plan and recommendation of the urban renewal agency or the municipality which by ordinance created the competitively disadvantaged border community area, to the governing body of each taxing district which levies taxes upon any taxable property

in the revenue allocation area and which would be affected by the revenue allocation financing provision of the urban renewal plan proposed to be approved by the local governing body.

[50-2906, added 1988, ch. 210, sec. 6, p. 397; am. 1994, ch. 381, sec. 4, p. 1227; am. 2000, ch. 162, sec. 1, p. 410; am. 2000, ch. 275, sec. 3, p. 897.]

50-2907. TRANSMITTAL OF REVENUE ALLOCATION AREA DESCRIPTION AND OTHER DOCUMENTS TO TAXING AGENCIES. (1) After the effective date of an ordinance enacted by the local governing body of an authorized municipality, the clerk of the authorized municipality shall transmit, to the county auditor and tax assessor of the county in which the revenue allocation area is located, to the affected taxing districts, and to the state tax commission, a copy of the ordinance enacted, a copy of the legal description of the boundaries of the revenue allocation area, and a map indicating the boundaries of the revenue allocation area.

(2) For revenue allocation areas extending beyond the corporate municipal boundary of the authorized municipality, the copy of the ordinance enacted by the authorized municipality shall include, as an attachment, a copy of the transfer of powers ordinance adopted by the cooperating county under section [50-2906](#)(3)(b), Idaho Code.

(3) Such documents shall be transmitted within the time required by section [63-215](#), Idaho Code.

[50-2907, added 1988, ch. 210, sec. 7, p. 398; am. 2000, ch. 114, sec. 1, p. 252; am. 2000, ch. 162, sec. 2, p. 411.]

50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1) For purposes of calculating the rate at which taxes shall be levied by or for each taxing district in which a revenue allocation area is located, the county commissioners shall, with respect to the taxable property located in such revenue allocation area, use the equalized assessed value of such taxable property as shown on the base assessment roll rather than on the current equalized assessed valuation of such taxable property, except the current equalized assessed valuation shall be used for calculating the tax rate for:

(a) Levies for refunds and credits pursuant to section [63-1305](#), Idaho Code, and any judgment pursuant to section [33-802](#)(1), Idaho Code, certified after December 31, 2007;

(b) Levies permitted pursuant to section [63-802](#)(3), Idaho Code, certified after December 31, 2007;

(c) Levies for voter-approved general obligation bonds of any taxing district and plant facility reserve fund levies passed after December 31, 2007;

(d) Levies for payment of obligations that have been judicially confirmed pursuant to [chapter 13, title 7](#), Idaho Code, and that meet the criteria of sections [63-1315](#) and [63-1316](#), Idaho Code;

(e) Levies set forth in paragraphs (a) through (d) of this subsection, first certified prior to December 31, 2007, when the property affected by said levies is included within the boundaries of a revenue allocation area by a change in the boundaries of either the revenue allocation area or any taxing district after December 31, 2007; and

(f) School levies for supplemental maintenance and operation pursuant to section [33-802](#)(3) and (4), Idaho Code, approved after December 31,

2007, and for emergency funds pursuant to section [33-805](#), Idaho Code, approved after July 1, 2015.

(2) With respect to each such taxing district, the tax rate calculated under subsection (1) of this section shall be applied to the current equalized assessed valuation of all taxable property in the taxing district, including the taxable property in the revenue allocation area. The tax revenues thereby produced shall be allocated as follows:

(a) To the taxing district shall be allocated and shall be paid by the county treasurer:

(i) All taxes levied by the taxing district or on its behalf on taxable property located within the taxing district but outside the revenue allocation area;

(ii) Except as otherwise provided in subparagraph (iv) of this paragraph, a portion of the taxes levied by the taxing district or on its behalf on the taxable property located within the revenue allocation area, which portion is the amount produced by applying the taxing district's tax rate determined under subsection (1) of this section to the equalized assessed valuation, as shown on the base assessment roll, of the taxable property located within the revenue allocation area;

(iii) All taxes levied by the taxing district to satisfy obligations specified in subsection (1) of this section; and

(iv) In the case of a revenue allocation area first formed or expanded to include the property on or after July 1, 2020, all taxes levied by any highway district, unless the local governing body that created the revenue allocation area has responsibility for the maintenance of roads or highways. In the case of property located within a revenue allocation area prior to July 1, 2020, or property located within a revenue allocation area created by a local governing body that has responsibility for the maintenance of roads or highways, the allocation of taxes shall be governed by subparagraph (ii) of this paragraph. In any case, the highway district and the urban renewal agency may enter into an agreement for a different allocation. A copy of any such agreement shall be submitted to the state tax commission and to the county clerk by the highway district as soon as practicable after the parties have entered into the contract and by no later than September 1 of the year in which the agreement takes effect.

(b) To the urban renewal agency shall be allocated the balance, if any, of the taxes levied on the taxable property located within the revenue allocation area.

(3) Upon enactment of an ordinance adopting a revenue allocation financing provision as part of an urban renewal plan, the urban renewal agency shall create a special fund or funds to be used for the purposes enumerated in this chapter. The revenues allocated to the urban renewal agency pursuant to this chapter shall be paid to the agency by the treasurer of the county in which the revenue allocation district is located and shall be deposited by the agency into one (1) or more of such special funds. The agency may, in addition, deposit into such special fund or funds such other income, proceeds, revenues and funds it may receive from sources other than the revenues allocated to it under subsection (2) (b) of this section.

(4) For the purposes of section [63-803](#), Idaho Code, during the period when revenue allocation under this chapter is in effect, and solely with

respect to any taxing district in which a revenue allocation area is located, the county commissioners shall, in fixing any tax levy other than a levy specified in subsection (1) of this section, take into consideration the equalized assessed valuation of the taxable property situated in the revenue allocation area as shown in the base assessment roll, rather than the current equalized assessed value of such taxable property.

(5) For all other purposes, including, without limitation, for purposes of sections [33-802](#), [33-1002](#) and [63-1313](#), Idaho Code, reference in the Idaho Code to the term "market value for assessment purposes" (or any other such similar term) shall mean market value for assessment purposes as defined in section [63-208](#), Idaho Code.

[50-2908, added 2012, ch. 339, sec. 11, p. 939; am. 2015, ch. 40, sec. 2, p. 91; am. 2019, ch. 205, sec. 4, p. 626; am. 2020, ch. 259, sec. 1, p. 754.]

50-2909. ISSUANCE OF BONDS -- BOND PROVISIONS. (1) If the local governing body of an authorized municipality has enacted an ordinance adopting a revenue allocation financing provision as part of an urban renewal plan, the urban renewal agency established by such municipality is hereby authorized and empowered:

(a) To apply the revenues allocated to it pursuant to section [50-2908](#), Idaho Code, for payment of the projected costs of any urban renewal project located in the revenue allocation area;

(b) To borrow money, incur indebtedness and issue one (1) or more series of bonds to finance or refinance, in whole or in part, the urban renewal projects authorized pursuant to such plan within the limits established by paragraph (c) of this subsection; and

(c) To pledge irrevocably to the payment of principal of and interest on such moneys borrowed, indebtedness incurred or bonds issued by the agency the revenues allocated to it pursuant to section [50-2908](#), Idaho Code.

All bonds issued under this section shall be issued in accordance with section [50-2012](#), Idaho Code, except that such bonds shall be payable solely from the special fund or funds established pursuant to section [50-2908](#), Idaho Code. On and after July 1, 2011, bonds may be issued for a maximum period of twenty (20) years.

(2) The agency shall be obligated and bound to pay such borrowed moneys, indebtedness, and bonds as the same shall become due, but only to the extent that the moneys are available in a special fund or funds established under section [50-2908](#), Idaho Code; and the agency is authorized to maintain an adequate reserve therefor from any moneys deposited in such a special fund or funds.

(3) Nothing in this chapter shall in any way impair any powers an urban renewal agency may have under subsection (a) of section [50-2012](#), Idaho Code.

(4) When the revenue allocation area plan budget described in section [50-2903](#)(5), Idaho Code, estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness and bonds have been paid in full, or when deposits in the special fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the agency funded through revenue allocation proceeds shall be satisfied and the agency has determined no additional project costs need be funded through revenue allocation financing, the allocation of revenues under

section [50-2908](#), Idaho Code, shall thereupon cease; any moneys in such fund or funds in excess of the amount necessary to pay such principal and interest shall be distributed to the affected taxing districts in which the revenue allocation area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the revenue allocation area; and the powers granted to the urban renewal agency under section [50-2909](#), Idaho Code, shall thereupon terminate.

[50-2909, added 1988, ch. 210, sec. 9, p. 399; am. 2002, ch. 143, sec. 5, p. 401; am. 2011, ch. 317, sec. 9, p. 924.]

50-2910. BONDS NOT GENERAL OBLIGATION OF AGENCY OR MUNICIPALITY. Except to the extent of moneys deposited in a special fund or funds under this act and pledged to the payment of the principal of and interest on bonds or other obligations, the agency shall not be liable on any such bonds or other obligations. The bonds issued and other obligations incurred by any agency under this chapter shall not constitute a general obligation or debt of any municipality, the state or any of its political subdivisions. In no event shall such bonds or other obligations give rise to general obligation or liability of the agency, the municipality, the state, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers, or be payable out of any funds or properties other than the special fund or funds of the agency pledged therefor; and such bonds and other obligations shall so state on their face. Such bonds and other obligations shall not constitute an indebtedness or the pledging of faith and credit within the meaning of any constitutional or statutory debt limitation or restriction.

[50-2910, added 1988, ch. 210, sec. 10, p. 400.]

50-2911. LIMITATIONS ON REVIEW. (1) No direct or collateral action attacking or otherwise questioning the validity of any urban renewal plan, project or modification thereto (including one containing a revenue allocation provision), or the adoption or approval of such plan, project or modification, or any of the findings or determinations of the agency or the local governing body in connection with such plan, project or modification, shall be brought prior to the effective date of the ordinance adopting or modifying the plan. No direct or collateral action attacking or otherwise questioning the validity of bonds issued pursuant to section [50-2909](#), Idaho Code, shall be brought prior to the effective date of the resolution or ordinance authorizing such bonds.

(2) For a period of thirty (30) days after the effective date of the ordinance or resolution, any person in interest shall have the right to contest the legality of such ordinance, resolution or proceeding or any bonds which may be authorized thereby. No contest or proceeding to question the validity or legality of any ordinance, resolution or proceeding, or any bonds which may be authorized thereby, passed or adopted under the provisions of this chapter shall be brought in any court by any person for any cause whatsoever, after the expiration of thirty (30) days from the effective date of the ordinance, resolution or proceeding, and after such time the validity, legality and regularity of such ordinance, resolution or proceeding or any bonds authorized thereby shall be conclusively presumed. If the question of the validity of any adopted plan or bonds issued pursuant to this chapter is not raised within thirty (30) days from the effective date of the ordinance, res-

olution or proceeding issuing said bonds and fixing their terms, the authority of the plan, the authority adopting the plan, or the authority to issue the bonds, and the legality thereof, the same shall be conclusively presumed and no court shall thereafter have authority to inquire into such matters.

[50-2911, added 1988, ch. 210, sec. 11, p. 400; am. 1990, ch. 430, sec. 5, p. 1193.]

50-2912. SEVERABILITY. The provisions of this act are hereby declared to be severable and if any provision of this act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of remaining portions of this act.

[50-2912, added 1988, ch. 210, sec. 12, p. 401.]

50-2913. URBAN RENEWAL AGENCY PLANS -- REPORTING INFORMATION REQUIRED -- PENALTIES FOR FAILURE TO REPORT. In addition to the provisions applicable to urban renewal agencies in chapters 20 and 29, [title 50](#), Idaho Code, the provisions of this section shall also apply to urban renewal agencies. For purposes of this section, "urban renewal agency" shall have the same meaning as provided in chapters 20 and 29, [title 50](#), Idaho Code.

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

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

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

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

(a) Within five (5) days of submitting to the central registry the information required by this section, the urban renewal agency shall notify the agency's appointing authority, if the entity has an appointing authority, that it has submitted such information.

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

(3) Notification and penalties.

(a) If an urban renewal agency fails to submit information required by this section or submits noncompliant information required by this section, the state tax commission shall notify the entity immediately after the due date of the information that either the information was not submitted in a timely manner or the information submitted was noncompliant. The urban renewal agency shall then have thirty (30) days from the date of notice to submit the information or notify the state tax commission that it will comply by a time certain.

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

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

(d) In addition to any other penalty provided in this section, in any failure to comply with this section, the state tax commission shall withhold the annual distribution of sales tax distribution pursuant to section [63-3638](#)(13), Idaho Code, for any noncomplying urban renewal agency. The state tax commission shall withhold and retain such money in a reserve account until an urban renewal agency has complied with the provisions of this section, at which point the state tax commission shall pay any money owed to an urban renewal agency that was previously in violation of this section to the urban renewal agency.

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

(i) Require a meeting of the board of county commissioners and the urban renewal agency's governing body wherein the board of county commissioners shall require compliance of this section by the entity; and

(ii) Assess a noncompliance fee on the noncomplying urban renewal agency. Such fee shall not exceed five thousand dollars (\$5,000). Such fees and costs may be deducted from any distributions of the

tax increment financing. Any fee collected shall be deposited into the county's current expense fund.

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

[50-2913, added 2016, ch. 349, sec. 7, p. 1023; am. 2017, ch. 58, sec. 29, p. 124.]