

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 574

BY WAYS AND MEANS COMMITTEE

AN ACT

RELATING TO THE LOCAL ECONOMIC DEVELOPMENT ACT; AMENDING SECTION 50-2903,
IDAHO CODE, TO REVISE A DEFINITION.

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

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

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

(1) "Act" or "this act" means this revenue allocation act.

(2) "Agency" or "urban renewal agency" means a public body created pur-
suant to section 50-2006, Idaho Code.

(3) "Authorized municipality" or "municipality" means any county or
incorporated city which has established an urban renewal agency, or by or-
dinance has identified and created a competitively disadvantaged border
community.

(4) "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 financ-
ing provision, except that the base assessment roll shall be adjusted as fol-
lows: the equalized assessment valuation of the taxable property in a rev-
enue 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 tax-
able 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 rev-
enue 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 tax-
able after the date of the base assessment roll, provided any increase in
valuation caused by the removal of the agricultural tax exemption from unde-
veloped agricultural land in a revenue allocation area shall be added to the
base assessment roll.

(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 termi-

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

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

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

33 (8) "Deteriorated area" means:

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

43 (b) Any area which by reason of the presence of a substantial number of
44 deteriorated or deteriorating structures, predominance of defective or
45 inadequate street layout, faulty lot layout in relation to size, ade-
46 quacy, accessibility or usefulness, insanitary or unsafe conditions,
47 deterioration of site or other improvements, diversity of ownership,
48 tax or special assessment delinquency exceeding the fair value of the
49 land, defective or unusual conditions of title, or the existence of con-
50 ditions which endanger life or property by fire and other causes, or any

1 combination of such factors, results in economic underdevelopment of
2 the area, substantially impairs or arrests the sound growth of a municipi-
3 pality, retards the provision of housing accommodations or constitutes
4 an economic or social liability and is a menace to the public health,
5 safety, morals or welfare in its present condition and use.

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

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

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

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

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

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

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

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

42 (13) "Project" or "urban renewal project" or "competitively disadvan-
43 taged border areas" may include undertakings and activities of a municipali-
44 ty in an urban renewal area for the elimination of deteriorated or deterio-
45 rating areas and for the prevention of the development or spread of slums and
46 blight and may involve slum clearance and redevelopment in an urban renewal
47 area, or rehabilitation or conservation in an urban renewal area, or any com-
48 bination or part thereof in accordance with an urban renewal plan. Such un-
49 dertakings and activities may include:

- 1 (a) Acquisition of a deteriorated area or a deteriorating area or por-
2 tion thereof;
- 3 (b) Demolition and removal of buildings and improvement;
- 4 (c) Installation, construction, or reconstruction of streets, utili-
5 ties, parks, playgrounds, open space, off-street parking facilities,
6 public facilities, public recreation and entertainment facilities or
7 buildings and other improvements necessary for carrying out, in the ur-
8 ban renewal area or competitively disadvantaged border community area,
9 the urban renewal objectives of this act in accordance with the urban
10 renewal plan or the competitively disadvantaged border community area
11 ordinance.
- 12 (d) Disposition of any property acquired in the urban renewal area or
13 the competitively disadvantaged border community area (including sale,
14 initial leasing or retention by the agency itself) or the municipality
15 creating the competitively disadvantaged border community area at its
16 fair value for uses in accordance with the urban renewal plan except for
17 disposition of property to another public body;
- 18 (e) Carrying out plans for a program of voluntary or compulsory repair
19 and rehabilitation of buildings or other improvements in accordance
20 with the urban renewal plan;
- 21 (f) Acquisition of real property in the urban renewal area or the com-
22 petitively disadvantaged border community area which, under the urban
23 renewal plan, is to be repaired or rehabilitated for dwelling use or re-
24 lated facilities, repair or rehabilitation of the structures for guid-
25 ance purposes, and resale of the property;
- 26 (g) Acquisition of any other real property in the urban renewal area
27 or competitively disadvantaged border community area where necessary
28 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-
29 sity, eliminate obsolete or other uses detrimental to the public wel-
30 fare, or otherwise to remove or to prevent the spread of blight or dete-
31 rioration, or to provide land for needed public facilities or where nec-
32 essary to accomplish the purposes for which a competitively disadvan-
33 tagged border community area was created by ordinance;
- 34 (h) Lending or investing federal funds; and
- 35 (i) Construction of foundations, platforms and other like structural
36 forms.
- 37 (14) "Project costs" includes, but is not limited to:
- 38 (a) Capital costs, including the actual costs of the construction of
39 public works or improvements, facilities, buildings, structures, and
40 permanent fixtures; the demolition, alteration, remodeling, repair or
41 reconstruction of existing buildings, structures, and permanent fix-
42 tures; the acquisition of equipment; and the clearing and grading of
43 land;
- 44 (b) Financing costs, including interest during construction and capi-
45 talized debt service or repair and replacement or other appropriate re-
46 serves;
- 47 (c) Real property assembly costs, meaning any deficit incurred from the
48 sale or lease by a municipality of real or personal property within a
49 revenue allocation district;

1 (d) Professional service costs, including those costs incurred for ar-
2 chitectural, planning, engineering, and legal advice and services;

3 (e) Direct administrative costs, including reasonable charges for the
4 time spent by ~~municipal~~ city, county or any taxing district employees in
5 connection with the implementation of a project plan;

6 (f) Relocation costs;

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

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

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

18 (17) "Tax" or "taxes" means all property tax levies upon taxable prop-
19 erty.

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

23 (19) "Taxing district" means a taxing district as defined in section
24 63-201, Idaho Code, as that section now exists or may hereafter be amended.

25 (20) "Termination date" means a specific date no later than twenty (20)
26 years from the effective date of an urban renewal plan or as described in sec-
27 tion 50-2904, Idaho Code, on which date the plan shall terminate. Every ur-
28 ban renewal plan shall have a termination date that can be modified or ex-
29 tended subject to the twenty (20) year maximum limitation. Provided how-
30 ever, the duration of a revenue allocation financing provision may be ex-
31 tended as provided in section 50-2904, Idaho Code.