

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 606

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO URBAN RENEWAL; AMENDING SECTION 50-2006, IDAHO CODE, TO REVISE
2 PROVISIONS FOR THE MAKEUP OF THE BOARD OF COMMISSIONERS OF AN URBAN
3 RENEWAL AGENCY, TO ALLOW FOR THE ELECTION OF COMMISSIONERS, TO REVISE
4 PROVISIONS REGARDING THE FILLING OF VACANCIES, TO PROVIDE RESIDENCY
5 REQUIREMENTS FOR COMMISSIONERS AND TO MAKE TECHNICAL CORRECTIONS;
6 AMENDING SECTION 50-2033, IDAHO CODE, TO PROVIDE REQUIREMENTS FOR
7 AMENDMENTS; AMENDING SECTION 50-2903, IDAHO CODE, TO REVISE THE DEFINI-
8 TIONS OF "BASE ASSESSMENT ROLL," "PLAN" OR "URBAN RENEWAL PLAN" AND
9 "PROJECT COSTS"; AMENDING CHAPTER 29, TITLE 50, IDAHO CODE, BY THE AD-
10 DITION OF A NEW SECTION 50-2903A, IDAHO CODE, TO PROVIDE THE EFFECT OF
11 AN ORDINANCE TO MODIFY AN URBAN RENEWAL PLAN AND TO PROVIDE EXCEPTIONS;
12 AMENDING SECTION 50-2905, IDAHO CODE, TO PROVIDE THAT ANY CHANGES TO
13 AN URBAN RENEWAL PLAN SHALL BE NOTICED AND COMPLETED IN AN OPEN PUBLIC
14 MEETING; AMENDING CHAPTER 29, TITLE 50, IDAHO CODE, BY THE ADDITION OF A
15 NEW SECTION 50-2905A, IDAHO CODE, TO PROVIDE FOR AN ELECTION ON CERTAIN
16 PROJECTS AND TO DEFINE TERMS; AMENDING CHAPTER 29, TITLE 50, IDAHO CODE,
17 BY THE ADDITION OF A NEW SECTION 50-2913, IDAHO CODE, TO PROVIDE THAT
18 URBAN RENEWAL PLANS BE SUBMITTED TO THE STATE TAX COMMISSION AND TO PRO-
19 VIDE PENALTIES FOR FAILURE TO REPORT; AMENDING SECTION 63-301A, IDAHO
20 CODE, TO PROVIDE FOR INCLUSION ON THE NEW CONSTRUCTION ROLL WHEN A MODI-
21 FICATION OF AN URBAN RENEWAL PLAN OR DE-ANNEXATION OCCURS AND TO MAKE A
22 TECHNICAL CORRECTION; PROVIDING SEVERABILITY; AND PROVIDING EFFECTIVE
23 DATES.
24

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 for not more than one (1) calendar year.

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

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

19 (6) In all instances, a member of the board of commissioners of the ur-
20 ban renewal agency must be a resident of the county where the urban re-
21 newal agency is located or is doing business.

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

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

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

1 and that the report is available for inspection during business hours in the
2 office of the city clerk or county recorder and in the office of the agency.

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

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

15 SECTION 2. That Section 50-2033, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 50-2033. ~~PROHIBITED AMENDMENTS~~. Except for consolidation of revenue
18 allocation areas, a revenue allocation area may ~~not only~~ be amended to ex-
19 tend its boundaries as set forth herein. An amendment to an urban renewal
20 plan ~~created under this chapter~~ that does not seek to increase the geographic
21 area of the plan, or does not seek to extend the years of the plan beyond the
22 maximum term allowed under chapter 29, title 50, Idaho Code, is not a pro-
23 hibited amendment, but may be subject to the limitations set forth in sec-
24 tion 50-2903A, Idaho Code. No plan amendment ~~to an existing revenue alloca-~~
25 ~~tion area~~ shall be interpreted to or shall cause an extension of the limita-
26 tions established for the existing revenue allocation area as set forth in
27 section 50-2904, Idaho Code. ~~Notwithstanding these~~ Subject to the limita-
28 tions in this section and section 50-2903A, Idaho Code, an urban renewal plan
29 that includes a revenue allocation area may be extended only one (1) time to
30 extend the boundary of the revenue allocation so long as the total area to be
31 added is not greater than ten percent (10%) of the existing revenue alloca-
32 tion area and the area to be added is contiguous to the existing revenue allo-
33 cation area but such contiguity cannot be established solely by a shoestring
34 or strip of land which comprises a railroad or public right-of-way.

35 SECTION 3. That Section 50-2903, Idaho Code, be, and the same is hereby
36 amended to read as follows:

37 50-2903. DEFINITIONS. The following terms used in this chapter shall
38 have the following meanings, unless the context otherwise requires:

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

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

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

46 (4) Except as provided in section 50-2903A, Idaho Code, "Base assess-
47 ment roll" means the equalized assessment rolls, for all classes of taxable

1 property, on January 1 of the year in which the local governing body of an au-
2 thorized municipality passes an ordinance adopting or modifying an urban re-
3 newal plan containing a revenue allocation financing provision, except that
4 the base assessment roll shall be adjusted as follows: the equalized as-
5 sessment valuation of the taxable property in a revenue allocation area as
6 shown upon the base assessment roll shall be reduced by the amount by which
7 the equalized assessed valuation as shown on the base assessment roll ex-
8 ceeds the current equalized assessed valuation of any taxable property lo-
9 cated in the revenue allocation area, and by the equalized assessed valu-
10 ation of taxable property in such revenue allocation area that becomes ex-
11 empt from taxation subsequent to the date of the base assessment roll. The
12 equalized assessed valuation of the taxable property in a revenue allocation
13 area as shown on the base assessment roll shall be increased by the equalized
14 assessed valuation, as of the date of the base assessment roll, of taxable
15 property in such revenue allocation area that becomes taxable after the date
16 of the base assessment roll, provided any increase in valuation caused by
17 the removal of the agricultural tax exemption from undeveloped agricultural
18 land in a revenue allocation area shall be added to the base assessment roll.

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

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

49 (7) "Competitively disadvantaged border community area" means a parcel
50 of land consisting of at least forty (40) acres which is situated within the

1 jurisdiction of a county or an incorporated city and within twenty-five (25)
2 miles of a state or international border, which the governing body of such
3 county or incorporated city has determined by ordinance is disadvantaged in
4 its ability to attract business, private investment, or commercial develop-
5 ment, as a result of a competitive advantage in the adjacent state or nation
6 resulting from inequities or disparities in comparative sales taxes, income
7 taxes, property taxes, population or unique geographic features.

8 (8) "Deteriorated area" means:

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

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

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

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

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

46 (f) "Deteriorated area" does not mean not developed beyond agricul-
47 tural, or any agricultural operation as defined in section 22-4502(1),
48 Idaho Code, or any forest land as defined in section 63-1701(4), Idaho
49 Code, unless the owner of the agricultural operation or the forest
50 landowner of the forest land gives written consent to be included in the

1 deteriorated area, except for an agricultural operation or forest land
2 that has not been used for three (3) consecutive years.

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

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

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

13 (12) "Plan" or "urban renewal plan" means a plan, as it exists or may
14 from time to time be amended, prepared and approved pursuant to sections
15 50-2008 and 50-2905, Idaho Code, and any method or methods of financing such
16 plan, which methods may include revenue allocation financing provisions.

17 (13) "Project" or "urban renewal project" or "competitively disadvan-
18 taged border areas" may include undertakings and activities of a municipal-
19 ity in an urban renewal area for the elimination of deteriorated or deterio-
20 rating areas and for the prevention of the development or spread of slums and
21 blight and may involve slum clearance and redevelopment in an urban renewal
22 area, or rehabilitation or conservation in an urban renewal area, or any com-
23 bination or part thereof in accordance with an urban renewal plan. Such un-
24 dertakings and activities may include:

25 (a) Acquisition of a deteriorated area or a deteriorating area or por-
26 tion thereof;

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

28 (c) Installation, construction, or reconstruction of streets, utili-
29 ties, parks, playgrounds, open space, off-street parking facilities,
30 public facilities, public recreation and entertainment facilities or
31 buildings and other improvements necessary for carrying out, in the ur-
32 ban renewal area or competitively disadvantaged border community area,
33 the urban renewal objectives of this act in accordance with the urban
34 renewal plan or the competitively disadvantaged border community area
35 ordinance.

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

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

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

1 (g) Acquisition of any other real property in the urban renewal area
2 or competitively disadvantaged border community area where necessary
3 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-
4 sity, eliminate obsolete or other uses detrimental to the public wel-
5 fare, or otherwise to remove or to prevent the spread of blight or dete-
6 rioration, or to provide land for needed public facilities or where nec-
7 essary to accomplish the purposes for which a competitively disadvan-
8 taged border community area was created by ordinance;

9 (h) Lending or investing federal funds; and

10 (i) Construction of foundations, platforms and other like structural
11 forms.

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

13 (a) Capital costs, including the actual costs of the construction of
14 public works or improvements, facilities, buildings, structures, and
15 permanent fixtures; the demolition, alteration, remodeling, repair or
16 reconstruction of existing buildings, structures, and permanent fix-
17 tures; the acquisition of equipment; and the clearing and grading of
18 land;

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

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

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

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

30 (f) Relocation costs;

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

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

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

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

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

47 (19) "Taxing district" means a taxing district as defined in section
48 63-201, Idaho Code, as that section now exists or may hereafter be amended.

49 (20) "Termination date" means a specific date no later than twenty (20)
50 years from the effective date of an urban renewal plan or as described in sec-

1 tion 50-2904, Idaho Code, on which date the plan shall terminate. Every ur-
 2 ban renewal plan shall have a termination date that can be modified or ex-
 3 tended subject to the twenty (20) year maximum limitation. Provided how-
 4 ever, the duration of a revenue allocation financing provision may be ex-
 5 tended as provided in section 50-2904, Idaho Code.

6 SECTION 4. That Chapter 29, Title 50, Idaho Code, be, and the same is
 7 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 8 ignated as Section 50-2903A, Idaho Code, and to read as follows:

9 50-2903A. EFFECT OF ORDINANCE TO MODIFY URBAN RENEWAL PLAN -- EXCEP-
 10 TION.

11 (1) (a) On and after July 1, 2016, except as provided in subsection (2)
 12 of this section, when an urban renewal plan containing a revenue alloca-
 13 tion financing provision is modified through an ordinance of the autho-
 14 rized municipality, the base value for the year immediately following
 15 the year in which the modification occurred shall include the current
 16 year's equalized assessed value of the taxable property in a revenue al-
 17 location area. The urban renewal agency shall be required annually to
 18 attest to having or not having modified any of its plans. If no modifi-
 19 cation has occurred, the urban renewal agency shall attest that fact on
 20 an affidavit provided by the state tax commission before the first Mon-
 21 day in June of each year. Modification shall not be deemed to have oc-
 22 curred when:

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

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

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

32 (iv) There is a plan amendment to support growth of an existing
 33 commercial or industrial project in an existing revenue alloca-
 34 tion area, subject to the provisions of section 50-2905A, Idaho
 35 Code.

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

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

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

1 following the year in which the modification occurred, the urban renewal
2 agency must certify:

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

6 (b) The estimated total budget to be used for paying indebtedness dur-
7 ing each year until termination of the revenue allocation area, the
8 amount of nonproperty tax revenue to be used by the agency to pay indebt-
9 edness each year, and the estimated amount of revenue to be allocated to
10 the agency for the modified revenue allocation area pursuant to section
11 50-2908, Idaho Code, to be used for paying indebtedness. For purposes
12 of this section "indebtedness" shall mean any bonds, including refund-
13 ing bonds, notes, interim certificates, certificates of indebtedness,
14 debentures or other obligations, together with all expenses necessary
15 to comply with all covenants related to the indebtedness.

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

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

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

34 50-2905. RECOMMENDATION OF URBAN RENEWAL AGENCY. In order to imple-
35 ment the provisions of this chapter, the urban renewal agency of the munic-
36 ipality shall prepare and adopt a plan for each revenue allocation area and
37 submit the plan and recommendation for approval thereof to the local govern-
38 ing body. The plan shall include with specificity:

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

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

44 (3) An economic feasibility study;

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

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

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

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

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

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

17 SECTION 6. That Chapter 29, Title 50, Idaho Code, be, and the same is
18 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
19 ignated as Section 50-2905A, Idaho Code, and to read as follows:

20 50-2905A. ELECTION NECESSARY FOR EXPENDITURES ON CERTAIN
21 PROJECTS. (1) Notwithstanding any other provision of this chapter, on and
22 after July 1, 2016, it shall be unlawful for an urban renewal agency to expend
23 revenue collected under this chapter on project costs when the amount of
24 revenue collected under this chapter contributes to fifty-one percent (51%)
25 or more of the total project cost and the project is for construction of a
26 municipal building that will not be subject to property taxation or unless
27 such construction project is first approved in an election by sixty percent
28 (60%) of the participating qualified electors residing within the borders of
29 the qualified municipality. An election pursuant to this section shall be in
30 accordance with the provisions of chapter 1, title 34, Idaho Code.

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

33 (a) "Municipal building" means only an administrative building, city
34 hall, library, courthouse or other judicial buildings, provided that
35 public parking structures shall not be a municipal building for pur-
36 poses of this section;

37 (b) "Project costs" shall have the same meaning as provided in section
38 50-2008, Idaho Code.

39 SECTION 7. That Chapter 29, Title 50, Idaho Code, be, and the same is
40 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
41 ignated as Section 50-2913, Idaho Code, and to read as follows:

42 50-2913. URBAN RENEWAL AGENCY PLANS -- REPORTING INFORMATION REQUIRED
43 -- PENALTIES FOR FAILURE TO REPORT. In addition to the provisions applicable
44 to urban renewal agencies in chapters 20 and 29, title 50, Idaho Code, the
45 provisions of this section shall also apply to urban renewal agencies. For
46 purposes of this section, "urban renewal agency" shall have the same meaning
47 as provided in chapters 20 and 29, title 50, Idaho Code.

1 (1) (a) There is hereby established a central registry with the state
2 tax commission. The registry shall serve as the unified location for
3 the reporting of and access to administrative and financial information
4 of urban renewal plans in this state. To establish a complete list of
5 all urban renewal plans of urban renewal agencies operating in Idaho, on
6 the effective date of this act and so that the registry established will
7 be comprehensive, every urban renewal agency shall register with the
8 state registry. For calendar year 2017, the submission of information
9 required by subsection (2) of this section shall occur prior to March 1,
10 2017, and shall be in the form and format required by the state tax com-
11 mission. In addition to the information required by this section for
12 the March 1, 2017, filing deadline, the entity shall report the date of
13 its last adoption or amendment or modification of an urban renewal plan.
14 The registry listing will be available on the state tax commission web-
15 site by July 1, 2017.

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

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

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

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

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

32 (3) Notification and penalties.

33 (a) If an urban renewal agency fails to submit information required by
34 this section or submits noncompliant information required by this sec-
35 tion, the state tax commission shall notify the entity immediately af-
36 ter the due date of the information that either the information was not
37 submitted in a timely manner or the information submitted was noncom-
38 pliant. The urban renewal agency shall then have thirty (30) days from
39 the date of notice to submit the information or notify the state tax com-
40 mission that it will comply by a time certain.

41 (b) No later than September 1 of any year, the state tax commission
42 shall notify the appropriate board of county commissioners and city
43 council of the entity's failure to comply with the provisions of this
44 section. Upon receipt of such notification, the board of county commis-
45 sioners shall place a public notice in a newspaper of general circula-
46 tion in the county indicating that the entity is noncompliant with the
47 legal reporting requirements of this section. The county commissioners
48 shall assess to the entity the cost of the public notice. Such costs may
49 be deducted from any distributions of tax increment financing of the
50 urban renewal agency. For any noncomplying urban renewal agency, the

1 state tax commission shall notify the board of county commissioners and
2 city council of the compliance status of such entity by September 1 of
3 each year until the entity is in compliance.

4 (c) An urban renewal agency that fails to comply with this section shall
5 have any property tax revenue that exceeds the amount received in the
6 immediate prior tax year distributed to the taxing districts located in
7 or overlapping any revenue allocation area within that urban renewal
8 district. Said distribution shall be based on each taxing district's
9 proportionate share of the increment value in the current tax year mul-
10 tiplied by the taxing district's current levy rate, reduced proportion-
11 ately to match the excess to be so apportioned. Any money so received
12 by any taxing district shall be treated as property tax revenue for the
13 purposes of the limitation provided by section 63-802, Idaho Code.

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

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

28 (i) Require a meeting of the board of county commissioners and the
29 urban renewal agency's governing body wherein the board of county
30 commissioners shall require compliance of this section by the enti-
31 ty; and

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

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

42 SECTION 8. That Section 63-301A, Idaho Code, be, and the same is hereby
43 amended to read as follows:

44 63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall prepare
45 a new construction roll, which shall be in addition to the property roll,
46 which new construction roll shall show:

47 (a) The name of the taxpayer;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (d) Change of land use classification; or

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

46 (f) The construction of any improvement or installation of any equip-
47 ment used for or in conjunction with the generation of electricity and
48 the addition of any improvement or equipment intended to be so used, ex-
49 cept property that has a value allocated or apportioned pursuant to sec-
50 tion 63-405, Idaho Code, or that is owned by a cooperative or municipal-

1 ity, as those terms are defined in section 61-332A, Idaho Code, or that
2 is owned by a public utility, as that term is defined in section 61-332A,
3 Idaho Code, owning any other property that is allocated or apportioned.
4 No replacement equipment or improvements may be included; or

5 (g) Provided such increases do not include increases already reported
6 on the new construction roll, as permitted in paragraphs (j) and (k) of
7 this subsection, iIncreases in value over the base value of property
8 on the base assessment roll within an urban renewal revenue allocation
9 area that has been terminated pursuant to section 50-2909(4), Idaho
10 Code, to the extent that this increment exceeds the incremental value
11 as of December 31, 2006, or, for revenue allocation areas formed after
12 December 31, 2006, the entire increment value. Notwithstanding other
13 provisions of this section, the new construction roll shall not include
14 new construction located within an urban renewal district's revenue al-
15 location area, except as provided in this ~~subsection (3) (g) paragraph;~~
16 or

17 (h) New construction, in any one (1) of the immediate five (5) tax years
18 preceding the current tax year, allowable but never included on a new
19 construction roll, provided however, that, for such property, the value
20 on the new construction roll shall reflect the taxable value that would
21 have been included on the new construction roll for the first year in
22 which the property should have been included.

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

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

38 (k) Increases in base value when due to previously determined incre-
39 ment value added to the base value as a result of a de-annexation within
40 a revenue allocation area as defined in section 50-2903, Idaho Code. In
41 this case, the amount added to the new construction roll will equal the
42 amount by which the increment value in the year immediately preceding
43 the year in which the de-annexation described in this subsection occurs
44 exceeds the incremental value as of December 31, 2006, or, for revenue
45 allocation areas formed after December 31, 2006, the entire increment
46 value within the area subject to the de-annexation.

47 (4) The amount of taxable market value of new construction shall be the
48 change in net taxable market value that is attributable directly to new con-
49 struction or a change in use of the land or loss of the exemption provided by
50 section 63-602W(3) or (4), Idaho Code. It shall not include any change in

1 value of existing property that is due to external market forces such as gen-
2 eral or localized inflation, except as provided in subsection (3) (g) of this
3 section.

4 SECTION 9. SEVERABILITY. The provisions of this act are hereby declared
5 to be severable and if any provision of this act or the application of such
6 provision to any person or circumstance is declared invalid for any reason,
7 such declaration shall not affect the validity of the remaining portions of
8 this act.

9 SECTION 10. Section 7 of this act shall be in full force and effect on
10 and after January 1, 2017. The remaining provisions of this act shall be in
11 full force and effect on and after July 1, 2016.