

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 328

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1
2 RELATING TO URBAN RENEWAL; AMENDING SECTION 50-2903, IDAHO CODE, TO PROVIDE
3 FOR THE TREATMENT OF CERTAIN PROPERTY LOCATED WITHIN A REVENUE ALLOCA-
4 TION AREA, TO REMOVE OBSOLETE LANGUAGE REGARDING THE AGRICULTURAL TAX
5 EXEMPTION, AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMER-
6 GENCY AND PROVIDING RETROACTIVE APPLICATION.

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

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

10 50-2903. DEFINITIONS. The following terms used in this chapter shall
11 have the following meanings, unless the context otherwise requires:

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

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

15 (3) "Authorized municipality" or "municipality" means any county or
16 incorporated city ~~which that~~ has established an urban renewal agency, or by
17 ordinance has identified and created a competitively disadvantaged border
18 community.

19 (4) Except as provided in section 50-2903A, Idaho Code, "base assess-
20 ment roll" means the equalized assessment rolls, for all classes of taxable
21 property, on January 1 of the year in which the local governing body of an
22 authorized municipality passes an ordinance adopting or modifying an urban
23 renewal plan containing a revenue allocation financing provision, except
24 that the base assessment roll shall be adjusted as follows: the equalized
25 assessment valuation of the taxable property in a revenue allocation area
26 as shown upon the base assessment roll shall be reduced by the amount by
27 which the equalized assessed valuation as shown on the base assessment roll
28 exceeds the current equalized assessed valuation of any taxable property
29 located in the revenue allocation area, and by the equalized assessed val-
30 uation of taxable property in such revenue allocation area that becomes
31 exempt from taxation subsequent to the date of the base assessment roll.
32 The equalized assessed valuation of the taxable property in a revenue allo-
33 cation area as shown on the base assessment roll shall be increased by the
34 equalized assessed valuation, as of the date of the base assessment roll, of
35 taxable property in such revenue allocation area that becomes taxable after
36 the date of the base assessment roll, ~~provided any increase in valuation~~
37 ~~caused by the removal of the agricultural tax exemption from undeveloped~~
38 ~~agricultural land in a revenue allocation area shall be added to the base~~
39 ~~assessment roll. Any increase in valuation due to property owned, leased, or~~
40 ~~used in the operation of a business entity that makes capital investments in~~
41 ~~one (1) or more data centers, as defined in section 63-3622VV(2)(f), Idaho~~
42 ~~Code, after July 1, 2020, in amounts of at least two hundred fifty million~~

1 dollars (\$250,000,000) in the aggregate within the first five (5) years
2 after commencement of construction, that creates and maintains at least
3 thirty (30) new jobs at the data center within two (2) calendar years after
4 the commencement of operations, and that is located in a revenue allocation
5 area for which no bonds have been issued pursuant to section 50-2909, Idaho
6 Code, as of March 16, 2023, shall be added to the base assessment roll in the
7 current tax year. An urban renewal plan containing a revenue allocation
8 financing provision adopted or modified prior to July 1, 2016, is not subject
9 to section 50-2903A, Idaho Code. For plans adopted or modified prior to July
10 1, 2016, and for subsequent modifications of those urban renewal plans, the
11 value of the base assessment roll of property within the revenue allocation
12 area shall be determined as if the modification had not occurred.

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

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

43 (7) "Competitively disadvantaged border community area" means a parcel
44 of land consisting of at least forty (40) acres ~~which~~ that is situated within
45 the jurisdiction of a county or an incorporated city and within twenty-five
46 (25) miles of a state or international border, which the governing body of
47 such county or incorporated city has determined by ordinance is disadvan-
48 taged in its ability to attract business, private investment, or commercial
49 development, as a result of a competitive advantage in the adjacent state or

1 nation resulting from inequities or disparities in comparative sales taxes,
2 income taxes, property taxes, population or unique geographic features.

3 (8) "Deteriorated area" means:

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

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

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

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

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

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

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

1 ways and parking, handling and storage areas, and similar auxiliary and re-
2 lated facilities.

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

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

9 (12) "Plan" or "urban renewal plan" means a plan, as it exists or may
10 from time to time be amended, prepared and approved pursuant to sections
11 50-2008 and 50-2905, Idaho Code, and any method or methods of financing such
12 plan, which methods may include revenue allocation financing provisions.

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

21 (a) Acquisition of a deteriorated area or a deteriorating area or por-
22 tion thereof;

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

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

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

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

41 (f) Acquisition of real property in the urban renewal area or the com-
42 petitively disadvantaged border community area ~~which~~ that, under the
43 urban renewal plan, is to be repaired or rehabilitated for dwelling use
44 or related facilities, repair or rehabilitation of the structures for
45 guidance purposes, and resale of the property;

46 (g) Acquisition of any other real property in the urban renewal area
47 or competitively disadvantaged border community area where necessary
48 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-
49 sity, eliminate obsolete or other uses detrimental to the public wel-
50 fare, or otherwise to remove or to prevent the spread of blight or dete-

1 rioration, or to provide land for needed public facilities or where nec-
2 essary to accomplish the purposes for which a competitively disadvan-
3 tagged border community area was created by ordinance;

4 (h) Lending or investing federal funds; and

5 (i) Construction of foundations, platforms and other like structural
6 forms.

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

8 (a) Capital costs, including the actual costs of the construction of
9 public works or improvements, facilities, buildings, structures, and
10 permanent fixtures; the demolition, alteration, remodeling, repair or
11 reconstruction of existing buildings, structures, and permanent fix-
12 tures; the acquisition of equipment; and the clearing and grading of
13 land;

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

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

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

22 (e) Direct administrative costs, including reasonable charges for the
23 time spent by city or county employees in connection with the implemen-
24 tation of a project plan;

25 (f) Relocation costs; and

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

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

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

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

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

42 (19) "Taxing district" means a taxing district as defined in section
43 63-201, Idaho Code, as that section now exists or may hereafter be amended.

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

1 SECTION 2. An emergency existing therefor, which emergency is hereby
2 declared to exist, this act shall be in full force and effect on and after its
3 passage and approval, and retroactively to March 16, 2023.