

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 569

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO URBAN RENEWAL LAW; AMENDING SECTION 50-2008, IDAHO CODE, TO PROVIDE NOTICE, TO PROVIDE FOR PUBLIC COMMENT, TO PROVIDE FOR A HEARING, TO PROVIDE FOR CONSIDERATION OF PUBLIC COMMENT AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 50-2027, IDAHO CODE, TO REVISE THE LENGTH OF A CERTAIN PERIOD AND TO DELETE A CODE REFERENCE; AMENDING SECTION 50-2906, IDAHO CODE, TO PROVIDE FOR A PUBLIC HEARING, TO PROVIDE A CODE REFERENCE, AND TO REVISE PROVISIONS RELATING TO NOTICE; AND AMENDING SECTION 50-2911, IDAHO CODE, TO REVISE THE LENGTH OF A CERTAIN PERIOD.

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

SECTION 1. That Section 50-2008, Idaho Code, be, and the same is hereby amended to read as follows:

50-2008. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL PROJECT. (a) An urban renewal project for an urban renewal area shall not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area or a combination thereof and designated such area as appropriate for an urban renewal project.

(b) An urban renewal agency may itself prepare or cause to be prepared an urban renewal plan, or any person or agency, public or private, may submit such a plan to an urban renewal agency. Prior to its approval of an urban renewal project, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. Upon receipt of such plan, the planning commission shall provide public notice of the receipt of such plan and shall make the plan available to the public. Such public notice shall be provided in a manner consistent with the public notice provision found in subsection (c) of this section. Upon receipt of the plan, the planning commission shall provide sixty (60) days for public comment on the plan and shall take such public comment into consideration in the commission's recommendation to the local governing body regarding such plan. During the sixty (60) day public comment period, the planning commission shall hold no fewer than one (1) public hearing to allow for public testimony regarding the submitted plan. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body ~~within thirty (30)~~, following the conclusion of the sixty (60) day public comment period, but no later than ninety (90) days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission, or if no recommendations are received within said ninety (90) days, then without such recommendations, the local governing

1 body may proceed with the hearing on the proposed urban renewal project
2 prescribed by subsection (c) hereof.

3 (c) The local governing body shall hold a public hearing on an urban
4 renewal project, after public notice thereof by publication in a newspaper
5 having a general circulation in the area of operation of the municipality.
6 The notice shall describe the time, date, place and purpose of the hearing,
7 shall generally identify the urban renewal area covered by the plan,
8 and shall outline the general scope of the urban renewal project under
9 consideration.

10 (d) Following such hearing, the local governing body may approve an
11 urban renewal project and the plan therefor if it finds that (1) a feasible
12 method exists for the location of families who will be displaced from the
13 urban renewal area in decent, safe and sanitary dwelling accommodations
14 within their means and without undue hardship to such families; (2) the
15 urban renewal plan conforms to the general plan of the municipality as a
16 whole; (3) the urban renewal plan gives due consideration to the provision
17 of adequate park and recreational areas and facilities that may be desirable
18 for neighborhood improvement, with special consideration for the health,
19 safety and welfare of children residing in the general vicinity of the site
20 covered by the plan; and (4) the urban renewal plan will afford maximum
21 opportunity, consistent with the sound needs of the municipality as a
22 whole, for the rehabilitation or redevelopment of the urban renewal area by
23 private enterprise: Provided, that if the urban renewal area consists of
24 an area of open land to be acquired by the urban renewal agency, such area
25 shall not be so acquired unless (1) if it is to be developed for residential
26 uses, the local governing body shall determine that a shortage of housing
27 of sound standards and design which is decent, safe and sanitary exists
28 in the municipality; that the need for housing accommodations has been or
29 will be increased as a result of the clearance of slums in other areas; that
30 the conditions of blight in the area and the shortage of decent, safe and
31 sanitary housing cause or contribute to an increase in and spread of disease
32 and crime and constitute a menace to the public health, safety, morals, or
33 welfare; and that the acquisition of the area for residential uses is an
34 integral part of and essential to the program of the municipality, or (2) if
35 it is to be developed for nonresidential uses, the local governing body shall
36 determine that such nonresidential uses are necessary and appropriate to
37 facilitate the proper growth and development of the community in accordance
38 with sound planning standards and local community objectives, which
39 acquisition may require the exercise of governmental action, as provided
40 in this act, because of defective or unusual conditions of title, diversity
41 of ownership, tax delinquency, improper subdivisions, outmoded street
42 patterns, deterioration of site, economic disuse, unsuitable topography
43 or faulty lot layouts, the need for the correlation of the area with other
44 areas of a municipality by streets and modern traffic requirements, or any
45 combination of such factors or other conditions which retard development of
46 the area.

47 (e) An urban renewal plan may be modified at any time: Provided that if
48 modified after the lease or sale by the urban renewal agency of real property
49 in the urban renewal project area, such modification may be conditioned upon
50 such approval of the owner, lessee or successor in interest as the urban

1 renewal agency may deem advisable and in any event shall be subject to such
 2 rights at law or in equity as a lessee or purchaser, or his successor or
 3 successors in interest, may be entitled to assert.

4 (f) Upon the approval by the local governing body of an urban renewal
 5 plan or of any modification thereof, such plan or modification shall be
 6 deemed to be in full force and effect for the respective urban renewal area,
 7 and the urban renewal agency may then cause such plan or modification to be
 8 carried out in accordance with its terms.

9 (g) Notwithstanding any other provisions of this act, where the
 10 local governing body certifies that an area is in need of redevelopment
 11 or rehabilitation as a result of a flood, fire, hurricane, earthquake,
 12 storm, or other catastrophe respecting which the governor of the state
 13 has certified the need for disaster assistance under ~~P~~public ~~l~~aw 875,
 14 ~~E~~eighty-first ~~C~~ongress, or other federal law, the local governing body
 15 may approve an urban renewal plan and an urban renewal project with respect
 16 to such area without regard to the provisions of subsection (d) of this
 17 section and the provisions of this section requiring a general plan for the
 18 municipality and a public hearing on the urban renewal project.

19 SECTION 2. That Section 50-2027, Idaho Code, be, and the same is hereby
 20 amended to read as follows:

21 50-2027. LIMITATIONS ON REVIEW OF ADOPTION OR MODIFICATION OF PLAN,
 22 AND ISSUANCE OF BONDS. (1) No direct or collateral action attacking or
 23 otherwise questioning the validity of any urban renewal plan, project
 24 or modification thereto (including one containing a revenue allocation
 25 provision), or the adoption or approval of such plan, project or
 26 modification, or any of the findings or determinations of the agency or the
 27 local governing body in connection with such plan, project or modification,
 28 shall be brought prior to the effective date of the ordinance adopting or
 29 modifying the plan. No direct or collateral action attacking or otherwise
 30 questioning the validity of bonds issued pursuant to section 50-2012, Idaho
 31 Code, ~~or section 50-2026(a), Idaho Code,~~ shall be brought prior to the
 32 effective date of the resolution or ordinance authorizing such bonds.

33 (2) For a period of ~~thirty ninety~~ (390) days after the effective date
 34 of the ordinance or resolution, any person in interest shall have the right
 35 to contest the legality of such ordinance, resolution or proceeding or any
 36 bonds which may be authorized thereby. No contest or proceeding to question
 37 the validity or legality of any ordinance, resolution or proceeding, or
 38 any bonds which may be authorized thereby, passed or adopted under the
 39 provisions of this chapter shall be brought in any court by any person for any
 40 cause whatsoever, after the expiration of ~~thirty ninety~~ (390) days from the
 41 effective date of the ordinance, resolution or proceeding, and after such
 42 time the validity, legality and regularity of such ordinance, resolution or
 43 proceeding or any bonds authorized thereby shall be conclusively presumed.
 44 If the question of the validity of any adopted plan or bonds issued pursuant
 45 to this chapter is not raised within ~~thirty ninety~~ (390) days from the
 46 effective date of the ordinance, resolution or proceeding issuing said bonds
 47 and fixing their terms, the authority of the plan, the authority adopting the
 48 plan, or the authority to issue the bonds, and the legality thereof, the same

1 shall be conclusively presumed and no court shall thereafter have authority
2 to inquire into such matters.

3 SECTION 3. That Section 50-2906, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 50-2906. PUBLIC HEARING AND ORDINANCE REQUIRED. (1) To adopt a
6 new urban renewal plan or create a competitively disadvantaged border
7 community area containing a revenue allocation financing provision, the
8 local governing body of an authorized municipality must enact an ordinance
9 in accordance with chapter 9, title 50, Idaho Code, and section 50-2008,
10 Idaho Code. To modify an existing urban renewal plan, to add or change a
11 revenue allocation, an authorized municipality must enact an ordinance
12 in accordance with chapter 9, title 50, Idaho Code, and conduct a public
13 hearing in a manner consistent with the provisions relating to a public
14 hearing as provided in section 50-2008(eb), Idaho Code. No urban renewal
15 project, plan, competitively disadvantaged border community area or
16 modification thereto, or revenue allocation financial provision shall
17 be held ineffective for failure to comply with the requirements of this
18 section if compliance with the section is substantial and in good faith and
19 administrative authority of both the local governing body and urban renewal
20 agency does not extend beyond the municipal boundary of the authorized
21 municipality. Urban renewal plans and revenue allocation financing
22 provisions may be held ineffective if an urban renewal area or revenue
23 allocation area extends outside the municipal boundary of an authorized
24 municipality and a transfer of powers ordinance has not been adopted by the
25 cooperating county.

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

30 (3) At the time that an urban renewal plan or modification thereto or
31 a competitively disadvantaged border community area proposal is received
32 by the local governing body of an authorized municipality, such body shall
33 prepare a notice stating: (a) that an urban renewal plan or modification
34 thereto or a competitively disadvantaged border community area has been
35 proposed and is being considered for adoption, and that such plan or
36 modification thereto or proposal to create a competitively disadvantaged
37 border community area contains a revenue allocation financing provision
38 that will cause property taxes resulting from any increases in equalized
39 assessed valuation in excess of the equalized assessed valuation as shown on
40 the base assessment roll to be allocated to the agency for urban renewal and
41 competitively disadvantaged border community area purposes; and (b) that
42 an agreement on administration of a revenue allocation financing provision
43 extending beyond the municipal boundary of the authorized municipality
44 has been negotiated with the cooperating county having extraterritorial
45 power and that the agreement has been formalized by a transfer of power
46 ordinance adopted by that county; and (c) that a public hearing on such
47 plan or modification will be held by the local governing body pursuant
48 to section 50-2008(c), Idaho Code. The notice shall also state the time,
49 date, and place of the hearing. At least thirty (30) days but not more than

1 sixty (60) days prior to the date set for final reading of the ordinance,
2 the local governing body shall publish the notice in a newspaper of general
3 circulation and transmit the notice, together with a copy of the plan and
4 recommendation of the urban renewal agency or the municipality which by
5 ordinance created the competitively disadvantaged border community area,
6 to the governing body of each taxing district which levies taxes upon any
7 taxable property in the revenue allocation area and which would be affected
8 by the revenue allocation financing provision of the urban renewal plan
9 proposed to be approved by the local governing body.

10 SECTION 4. That Section 50-2911, Idaho Code, be, and the same is hereby
11 amended to read as follows:

12 50-2911. LIMITATIONS ON REVIEW. (1) No direct or collateral action
13 attacking or otherwise questioning the validity of any urban renewal
14 plan, project or modification thereto (including one containing a revenue
15 allocation provision), or the adoption or approval of such plan, project or
16 modification, or any of the findings or determinations of the agency or the
17 local governing body in connection with such plan, project or modification,
18 shall be brought prior to the effective date of the ordinance adopting or
19 modifying the plan. No direct or collateral action attacking or otherwise
20 questioning the validity of bonds issued pursuant to section 50-2909, Idaho
21 Code, shall be brought prior to the effective date of the resolution or
22 ordinance authorizing such bonds.

23 (2) For a period of ~~thirty ninety~~ (390) days after the effective date
24 of the ordinance or resolution, any person in interest shall have the right
25 to contest the legality of such ordinance, resolution or proceeding or any
26 bonds which may be authorized thereby. No contest or proceeding to question
27 the validity or legality of any ordinance, resolution or proceeding, or
28 any bonds which may be authorized thereby, passed or adopted under the
29 provisions of this chapter shall be brought in any court by any person for any
30 cause whatsoever, after the expiration of ~~thirty ninety~~ (390) days from the
31 effective date of the ordinance, resolution or proceeding, and after such
32 time the validity, legality and regularity of such ordinance, resolution or
33 proceeding or any bonds authorized thereby shall be conclusively presumed.
34 If the question of the validity of any adopted plan or bonds issued pursuant
35 to this chapter is not raised within ~~thirty ninety~~ (390) days from the
36 effective date of the ordinance, resolution or proceeding issuing said bonds
37 and fixing their terms, the authority of the plan, the authority adopting the
38 plan, or the authority to issue the bonds, and the legality thereof, the same
39 shall be conclusively presumed and no court shall thereafter have authority
40 to inquire into such matters.