

LEGISLATURE OF THE STATE OF IDAHO  
Sixty-eighth Legislature First Regular Session - 2025

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 407

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO COMMUNITY INFRASTRUCTURE DISTRICTS; AMENDING SECTION 50-3101, IDAHO CODE, TO REVISE A PROVISION REGARDING THE FORMATION OF A COMMUNITY INFRASTRUCTURE DISTRICT AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 50-3102, IDAHO CODE, TO REVISE DEFINITIONS AND TO MAKE TECHNICAL CORRECTIONS; AMENDING CHAPTER 31, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-3122, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING A TEMPORARY ASSESSMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. That Section 50-3101, Idaho Code, be, and the same is hereby amended to read as follows:

50-3101. PURPOSE, RELATIONSHIP WITH OTHER LAWS AND SHORT TITLE. (1) The purpose of this chapter is:

(a) To encourage the funding and construction of regional community infrastructure in advance of actual developmental growth that creates the need for such additional infrastructure;

(b) To provide a means for the advance payment of development impact fees established in chapter 82, title 67, Idaho Code, and the community infrastructure that may be financed thereby; and

(c) To create additional financial tools and financing mechanisms that allow new growth to more expediently pay for itself.

(2) Only community infrastructure to be publicly owned by this state or a political subdivision thereof may be financed pursuant to this chapter.

(3) A community infrastructure district may ~~only~~ be formed pursuant to this chapter only by a city in the city's incorporated area, ~~or~~ by a county in an area contained within a city's comprehensive plan with the city's consent, or by a county when the district is outside of a city's comprehensive plan.

(4) A community infrastructure district may be formed only after (i) prior review and approval by the governing body of each county or city in which the district is proposed to be located of a petition requesting the formation of the district, and (ii) the necessary approvals for site development under the local land use planning act, sections 67-6501 et seq., Idaho Code, and the planning and zoning ordinances of each county and city in which the district is proposed to be located have been obtained; provided however, that where there will be phased development, approvals obtained for the first phase of site development shall be sufficient for the initial creation and organization of the district. The formation of a district pursuant to this chapter shall not prevent the exercise by a county, city or other political subdivision of any of its powers on the same basis as on all other land within its jurisdiction. Notwithstanding the formation of a

1 district, the development of real property located within the district shall  
 2 remain subject to the provisions of chapter 65, title 67, Idaho Code, and  
 3 the applicable planning and zoning ordinances of the counties and cities in  
 4 which the district is located. The formation of a district pursuant to this  
 5 chapter shall not prevent the subsequent establishment of other districts or  
 6 the improvement or assessment of land within the district by a county, city  
 7 or other political subdivision.

8 (5) This chapter shall be known and may be cited as the "Community In-  
 9 frastructure District Act."

10 SECTION 2. That Section 50-3102, Idaho Code, be, and the same is hereby  
 11 amended to read as follows:

12 50-3102. DEFINITIONS. As used in this chapter, the following terms  
 13 shall have the meanings as stated:

14 (1) "Assessment area" means real property within the boundaries of a  
 15 community infrastructure district that is the subject of a specific special  
 16 assessment as set forth in this chapter.

17 (2) "Community infrastructure" means improvements that have a substan-  
 18 tial nexus to the district and directly or indirectly benefit the district.  
 19 Community infrastructure excludes public improvements fronting individual  
 20 single-family residential lots. Community infrastructure includes plan-  
 21 ning, design, engineering, construction, acquisition or installation of  
 22 such infrastructure, including the costs of applications, impact fees and  
 23 other fees, permits and approvals related to the construction, acquisition  
 24 or installation of such infrastructure, and incurring expenses incident to  
 25 and reasonably necessary to carry out the purposes of this chapter. Com-  
 26 munity infrastructure includes all public facilities as defined in section  
 27 67-8203(24), Idaho Code, and, to the extent not already included within the  
 28 definition in section 67-8203(24), Idaho Code, the following:

29 (a) Highways, parkways, expressways, interstates, or other such des-  
 30 ignations, interchanges, bridges, crossing structures, and related ap-  
 31 purtenances;

32 (b) Public parking facilities, including all areas for vehicular use  
 33 for travel, ingress, egress and parking;

34 (c) Trails and areas for pedestrian, equestrian, bicycle or other non-  
 35 motor vehicle use for travel, ingress, egress and parking;

36 (d) Public safety facilities;

37 (e) Acquiring interests in real property for community infrastructure;

38 (f) Financing costs related to the construction of items listed in this  
 39 subsection; ~~and~~

40 (g) Impact fees; and

41 (h) The financing of fire protection services and emergency medical  
 42 services pursuant to section 50-3122, Idaho Code.

43 (3) "Community infrastructure segment" means a separate or a dis-  
 44 cernible portion of a construction contract attributable to community  
 45 infrastructure.

46 (4) "Debt service" means the principal of, interest on and premium, if  
 47 any, on the bonds when due, whether at maturity or prior redemption, and fees  
 48 and costs of registrars, trustees, paying agents or other agents necessary  
 49 to handle the bonds and the costs of credit enhancement or liquidity support.

(5) "District" means a community infrastructure district formed pursuant to this chapter. A district formed after July 1, 2022, shall not exclude from the district any land that is completely surrounded by property in the district. A district shall ~~only~~ include only contiguous property at the time of formation. Land that is connected by only a shoestring or strip of land that comprises a railroad or highway right-of-way shall not be considered contiguous for the purposes of this chapter. Subsequent to a district's formation, a district may include noncontiguous property but only if specifically determined by the district board to have a substantial nexus to the initial district or to the community infrastructure contemplated by the initial district and then authorized by the district board in its discretion and pursuant to section 50-3106, Idaho Code.

(6) "District board" means the board of directors of the district.

(7) "District development agreement" means an agreement between a property owner or developer, the county or city, any other political subdivision of the state, and/or the district. A district development agreement shall be used to establish obligations of the parties to the agreement relating to district financing and development, including: intergovernmental agreements; the ultimate public ownership of the community infrastructure financed by the district; the understanding of the parties with regard to future annexations of property into the district; the total amount of bonds to be issued by the district and the property taxes and special assessments to be levied and imposed to repay the bonds and the provisions regarding the disbursement of bond proceeds; the financial assurances, if any, to be provided with respect to the bonds; impact and other fees imposed by governmental authorities, including credit, prepayment and/or reimbursement with respect thereto; temporary assessments and the disbursement of revenue from such assessments pursuant to section 50-3122, Idaho Code; and other matters relating to the community infrastructure, such as construction, acquisition, planning, design, inspection, ownership and control. A district development agreement shall be in addition to and shall not supplant any development agreement entered into pursuant to section 67-6511A, Idaho Code, pursuant to which a governing body may require or permit, as a condition of rezoning, that an owner or developer make a written commitment concerning the use or development of the subject parcel.

(8) "General plan" means the general plan described in section 50-3103(1), Idaho Code, as the plan may be amended from time to time.

(9) "Governing body" means the county commissioners or city council that by law is constituted as the governing body of the county or city in which the district is located. Reference in this chapter to "governing body or bodies" shall mean the governing body or bodies of each county and city in which the district is located.

(10) "Owner" means the person listed as the owner of real property within the district or a proposed district on the current property rolls in effect at the time that the action, proceeding, hearing or election has begun; provided however, that if a person listed on the property rolls is no longer the owner of real property within the district or a proposed district and the name of the successor owner becomes known and is verified by recorded deed or other similar evidence of transfer of ownership, the successor owner shall be deemed to be the owner for the purposes of this chapter.

(11) "Market value for assessment purposes" means the amount of the last preceding equalized assessment of all taxable property and excludes all property exempt from taxation pursuant to section 63-602G, Idaho Code, within the community infrastructure district on the tax rolls completed and available as of the date of approval in the district bond issuance.

(12) "Person" means any entity, individual, corporation, partnership, firm, association, limited liability company, limited liability partnership, trust or other such entities as recognized by the state of Idaho. A "person in interest" is any person who is a qualified elector in the district, who is an owner of real property in the district or who is a real property taxpayer in the district.

(13) "Qualified elector" means a person who possesses all of the qualifications required of electors under the general laws of the state of Idaho and:

(a) Resides within the boundaries of a district or a proposed district and who is a qualified elector. For purposes of this chapter, such elector shall also be known as a "resident qualified elector"; or

(b) Is an owner of real property that is located within the district or a proposed district, who is not a resident qualified elector as set forth above. For purposes of this chapter, such elector shall also be known as an "owner qualified elector."

(14) "Special assessment" means an assessment imposed upon real property located within an assessment area for a specific purpose and of a special benefit to the affected property, collected and enforced in the same manner as property taxes, that may be apportioned according to the direct or indirect special benefits conferred upon the affected property, as well as any, or any combination, of the following: acreage, square footage, front footage, the cost of providing community infrastructure for the affected property, or any other reasonable method as determined by the district board.

SECTION 3. That Chapter 31, Title 50, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 50-3122, Idaho Code, and to read as follows:

50-3122. FIRE PROTECTION SERVICES AND EMERGENCY SERVICES TEMPORARY ASSESSMENT. (1) A community infrastructure district may levy a temporary assessment under this section if the authority to do so and terms of the temporary assessment are provided in the district development agreement.

(2) A temporary assessment under this section shall be imposed on each residential property for a term not to exceed five (5) years, commencing upon the transfer of title to the first residential homeowner. Notwithstanding any provision of law to the contrary, the district shall be exempt from providing public notice when a temporary assessment is imposed on a property for the first time; provided that the existence, terms, and any applicable amounts of the assessment shall be disclosed in the property disclosure notice and shall be signed and acknowledged by any purchaser prior to purchase. The obligation to pay the temporary assessment shall run with the property, and any subsequent owner who acquires title within the original five (5) year assessment period shall be responsible for payment of the assessment for the remainder of that five (5) year term. No assessment under this section may

1 be extended or renewed beyond its initial five (5) year term and each such as-  
2 sessment shall expire at the end of the five (5) year term without further no-  
3 tice or action. Upon the expiration of the assessment for a property as pro-  
4 vided in this section, the district shall have no further authority to levy  
5 an assessment under this section on that same property.

6 (3) The initial amount of the assessment and any provision for annual  
7 increases shall be as set forth in the district development agreement, pro-  
8 vided that the amount of the temporary assessment shall not increase by more  
9 than two percent (2%) in any year.

10 (4) The temporary assessment shall be collected and accounted for at  
11 the time and in the form and manner as property taxes are collected and ac-  
12 counted for under the laws of this state. All revenues from the temporary as-  
13 sessment shall be kept separate from other district funds in a dedicated fund  
14 and may accumulate from year to year to ensure the availability of moneys to  
15 pay for or offset the costs of fire protection services and emergency medical  
16 services as authorized in this section.

17 (5) The district board shall budget and disburse such proceeds solely  
18 to pay for or offset the costs of fire protection services and emergency med-  
19 ical services for the district. Permissible expenditures shall include but  
20 not be limited to salaries and benefits of fire protection services person-  
21 nel and emergency medical services personnel; procurement, maintenance, re-  
22 pair, or replacement of fire protection services or emergency medical ser-  
23 vices equipment; fire protection services training; emergency medical ser-  
24 vices training; and other operational expenses necessary for fire protec-  
25 tion and emergency response.

26 (6) The district may enter into agreements with cities, fire protection  
27 districts, ambulance services districts, or other service providers to fur-  
28 nish fire protection services or emergency medical services to the district  
29 and may distribute temporary assessment revenues to such service providers  
30 pursuant to such agreements or as provided in the district development  
31 agreement.

32 SECTION 4. An emergency existing therefor, which emergency is hereby  
33 declared to exist, this act shall be in full force and effect on and after  
34 July 1, 2025.