

TITLE 50  
MUNICIPAL CORPORATIONS

CHAPTER 26  
BUSINESS IMPROVEMENT DISTRICTS

50-2601. AUTHORIZATION -- PURPOSES -- SPECIAL ASSESSMENTS. The legislature hereby authorizes all incorporated cities:

(1) To establish business improvement districts, hereafter referred to as district or districts, for the following purposes:

(a) The acquisition, construction or maintenance of parking facilities for the benefit of the district;

(b) Physical improvement and decoration of any public space in the district;

(c) Promotion of public events which are to take place on or in public places in the district;

(d) The acquisition and operation of transportation services to promote retail trade activities within the district; and

(e) The general promotion of retail trade activities in the district.

(2) To levy special assessments on all businesses or business property within the district and specially benefited by a business improvement district to pay the damages or costs incurred therein as provided in this chapter.

[50-2601, added 1980, ch. 192, sec. 1, p. 423; am. 1998, ch. 253, sec. 1, p. 823.]

50-2602. DEFINITIONS. As used in this chapter:

(1) "Business" means all types of business, including vacant structures, common areas, and lots within the district, and including professions.

(2) "Legislative authority" means the legislative authority of any city.

[50-2602, added 1980, ch. 192, sec. 1, p. 424; am. 1988, ch. 180, sec. 1, p. 314.]

50-2603. INITIATION PETITION -- CONTENTS. For the purpose of establishing a business improvement district, an initiation petition may be presented to the legislative authority having jurisdiction of the area in which the proposed business improvement district is to be located. The initiation petition shall contain the following:

(1) A description of the boundaries of the proposed district;

(2) The proposed uses and projects to which the proposed special assessment revenues shall be put and the total estimated cost thereof; and

(3) The estimated rate of levy of special assessment with a proposed breakdown by class of business if such classification is to be used.

The initiating petition shall also contain the signatures of the persons who operate businesses or own business property in the proposed district which would pay fifty percent (50%) of the proposed special assessments.

[50-2603, added 1980, ch. 192, sec. 1, p. 424; am. 1998, ch. 253, sec. 2, p. 823.]

50-2604. RESOLUTION OF INTENTION TO ESTABLISH -- CONTENTS -- HEARING. The legislative authority, after receiving a valid initiation petition, shall adopt a resolution of intention to establish a district. The resolution shall state the time and place of a hearing to be held by the legislative authority to consider establishment of a district and shall restate all the information contained in the initiation petition regarding boundaries, projects and uses, and estimated rates of assessment.

[50-2604, added 1980, ch. 192, sec. 1, p. 424.]

50-2605. NOTICE OF HEARING. Notice of a hearing held under the provisions of this chapter shall be given by:

(1) One (1) publication of the resolution of intention in a newspaper of general circulation in the city; and

(2) Mailing a complete copy of the resolution of intention to each business in the proposed, or established district. Publication and mailing shall be completed at least ten (10) days prior to the time of the hearing.

[50-2605, added 1980, ch. 192, sec. 1, p. 424.]

50-2606. HEARINGS. Whenever a hearing is held under this chapter, the legislative authority shall hear all protests and receive evidence for or against the proposed action. The legislative authority may continue the hearing from time to time. Proceedings shall terminate if protest is made by businesses in the proposed district which would pay a majority of the proposed special assessments.

[50-2606, added 1980, ch. 192, sec. 1, p. 425.]

50-2607. CHANGE OF BOUNDARIES. If the legislative authority decides to change the boundaries of the proposed district, the hearing shall be continued to a time at least fifteen (15) days after such decision and notice shall be given as prescribed in section [50-2605](#), Idaho Code, showing the boundary amendments, but no resolution of intention is required.

[50-2607, added 1980, ch. 192, sec. 1, p. 425.]

50-2608. SPECIAL ASSESSMENTS -- CLASSIFICATION OF BUSINESSES. For purposes of the special assessments to be imposed pursuant to this chapter, the legislative authority may make a reasonable classification of businesses, giving consideration to various factors, including the degree of benefit received from parking only.

[50-2608, added 1980, ch. 192, sec. 1, p. 425.]

50-2609. SPECIAL ASSESSMENTS -- SAME BASIS OR RATE FOR CLASSES NOT REQUIRED -- FACTORS AS TO PARKING FACILITIES. The special assessments need not be imposed on different classes of business, as determined pursuant to section [50-2608](#), Idaho Code, on the same basis or the same rate: Provided, however, that the special assessments imposed for the purpose of the acquisition, construction or maintenance of parking facilities for the benefit of the district shall be imposed on the basis of benefit determined by the legislative authority after giving consideration to the total cost to be recovered from the businesses upon which the special assessment is to be imposed,

the total area within the boundaries of the business improvement district, the assessed value of the land and improvements within the district, the total business volume generated within the district and within each business, and such other factors as the legislative authority may find and determine to be a reasonable measure of such benefit.

[50-2609, added 1980, ch. 192, sec. 1, p. 425.]

50-2610. ORDINANCE TO ESTABLISH -- ADOPTION -- CONTENTS. If the legislative authority, following the hearing, decides to establish the proposed district, it shall adopt an ordinance to that effect. This ordinance shall contain the following information:

(1) The number, date and title of the resolution of intention pursuant to which it was adopted;

(2) The time and place the hearing was held concerning the formation of such district;

(3) The description of the boundaries of such district;

(4) A statement that the businesses in the district established by the ordinance shall be subject to the provisions of the special assessments authorized by section [50-2601](#), Idaho Code;

(5) The initial or additional rate or levy of special assessment to be imposed with a breakdown by classification of business, if such classification is used;

(6) A statement that a business improvement district has been established; and

(7) The uses to which the special assessment revenue shall be put; provided, however, that such use shall conform to the use as declared in the initiation petition presented pursuant to section [50-2603](#), Idaho Code.

[50-2610, added 1980, ch. 192, sec. 1, p. 425.]

50-2611. USE OF REVENUE -- CONTRACTS TO ADMINISTER OPERATION OF DISTRICT. The legislative authority of each city shall have sole discretion as to how the revenue derived from the special assessments is to be used within the scope of the purposes; however, the legislative authority may appoint existing advisory boards or commissions to make recommendations as to its use, or the legislative authority may create a new advisory board or commission for the purpose.

The legislative authority may contract with a chamber of commerce or other similar business association operating primarily within the boundaries of the legislative authority to administer the operation of a business improvement district, including any funds derived pursuant thereto; provided, that such administration must comply with all applicable provisions of law including this chapter, with all county or city resolutions and ordinances, and with all rules or procedures lawfully imposed by the state controller or other state agencies.

[50-2611, added 1980, ch. 192, sec. 1, p. 426; am. 1994, ch. 180, sec. 94, p. 489; am. 2003, ch. 32, sec. 26, p. 132.]

50-2612. USE OF ASSESSMENT PROCEEDS RESTRICTED. The special assessments levied hereunder must be for the purposes specified in the ordinances and the proceeds shall not be used for any other purpose.

[50-2612, added 1980, ch. 192, sec. 1, p. 426.]

50-2613. COLLECTION OF ASSESSMENTS. Collections of assessments imposed pursuant to this chapter shall be made in the manner to be determined by the concerned legislative authority.

[50-2613, added 1980, ch. 192, sec. 1, p. 426.]

50-2614. CHANGES IN ASSESSMENT RATES. Changes may be made in the rate or additional rate of special assessment as specified in the ordinance establishing the district, by ordinance adopted after a hearing before the legislative authority.

The legislative authority shall adopt a resolution of intention to change the rate or additional rate of special assessment at least fifteen (15) days prior to the hearing required by this section. This resolution shall specify the proposed change and shall give the time and place of the hearing; provided, that proceedings to change the rate or impose an additional rate of special assessments shall terminate if protest is made by businesses in the proposed district which would pay a majority of the proposed increase or additional special assessments.

[50-2614, added 1980, ch. 192, sec. 1, p. 426.]

50-2615. BENEFIT ZONES -- AUTHORIZED -- RATES. The legislative authority may, for each of the purposes set out in section [50-2601](#), Idaho Code, establish and modify one or more separate benefit zones based upon the degree of benefit derived from the purpose and may impose a different rate of special assessment within each such benefit zone.

[50-2615, added 1980, ch. 192, sec. 1, p. 426.]

50-2616. BENEFIT ZONES -- ESTABLISHMENT, MODIFICATION AND DISESTABLISHMENT OF DISTRICT PROVISIONS AND PROCEDURE TO BE FOLLOWED. All provisions of this chapter applicable to establishment or disestablishment of a district also apply to the establishment, modification, or disestablishment of benefit zones pursuant to section [50-2615](#), Idaho Code. The establishment or the modification of any such zone shall follow the same procedure as provided for the establishment of a business improvement district and the disestablishment shall follow the same procedure as provided for disestablishment of a district.

[50-2616, added 1980, ch. 192, sec. 1, p. 427.]

50-2617. EXEMPTION PERIOD FOR NEW BUSINESSES. Businesses established after the creation of a district within the district shall be exempted from the special assessments imposed pursuant to this chapter from the date of first occupancy until the next billing date prescribed by the legislative authority.

[50-2617, added 1980, ch. 192, sec. 1, p. 427; am. 2003, ch. 204, sec. 1, p. 544.]

50-2618. DISESTABLISHMENT OF DISTRICT -- HEARING. (1) The legislative authority may disestablish a district by ordinance after a hearing before

the legislative authority. The legislative authority shall adopt a resolution of intention to disestablish the district at least fifteen (15) days prior to the hearing required by this section. The resolution shall give the time and place of the hearing.

(2) The legislative authority shall disestablish a district if the businesses in the district which pay a majority of the assessments, petition in writing for such disestablishment.

[50-2618, added 1980, ch. 192, sec. 1, p. 427.]

50-2619. DISESTABLISHMENT OF DISTRICT -- ASSETS AND LIABILITIES. Upon disestablishment of a district, any proceeds of the special assessments, or assets acquired with such proceeds, or liabilities incurred as a result of the formation of such district, shall be subject to disposition as the legislative authority shall determine; provided, however, any liabilities, either current or future, incurred as a result of action taken to accomplish the purposes of section [50-2601](#), Idaho Code, shall not be an obligation of the general fund or any special fund of the city, but such liabilities shall be provided for entirely from available revenue generated from the projects or facilities authorized by section [50-2601](#), Idaho Code, or from special assessments on the property specially benefited within the district.

[50-2619, added 1980, ch. 192, sec. 1, p. 427.]

50-2620. BIDS REQUIRED -- MONETARY AMOUNT. Any city authorized by this chapter to establish a business improvement district shall conduct its purchasing activities in accordance with the provisions of [chapter 28, title 67](#), Idaho Code.

[50-2620, added 1980, ch. 192, sec. 1, p. 427; am. 2005, ch. 213, sec. 22, p. 657.]

50-2621. COMPUTING COST OF IMPROVEMENT FOR BID REQUIREMENT. The cost of the improvement for the purposes of this chapter shall be aggregate of all amounts to be paid for the labor, materials and equipment on one (1) continuous or interrelated project where work is to be performed simultaneously or in near sequence. Breaking an improvement into small units for the purposes of avoiding the minimum dollar amount prescribed in [chapter 28, title 67](#), Idaho Code, is contrary to public policy and is prohibited.

[50-2621, added 1980, ch. 192, sec. 1, p. 427; am. 2005, ch. 213, sec. 23, p. 658.]

50-2622. EXISTING LAWS NOT AFFECTED -- CHAPTER SUPPLEMENTAL -- PURPOSES MAY BE ACCOMPLISHED IN CONJUNCTION WITH OTHER METHODS. This chapter providing for business improvement districts shall not be deemed or construed to affect any existing act, or any part thereof, relating to special assessments or other powers of counties, and cities, but shall be supplemental thereto and concurrent therewith.

The purposes and functions of business improvement districts as set forth by the provisions of this chapter may be accomplished in part by the establishment of a district pursuant to this chapter and in part by any other method otherwise provided by law, including provisions for local improvements.

[50-2622, added 1980, ch. 192, sec. 1, p. 428.]

50-2623. DISCLOSURE REQUIREMENT PRIOR TO LEASE OR SALE OF PROPERTY. Prior to leasing or selling property located within a business improvement district, property owners are required to provide written disclosure to prospective lessees or purchasers that the subject property is located within a business improvement district and that the lessee or purchaser may be responsible for the payment of special assessments to the legislative authority. The written disclosure shall be a statement by the property owner and shall not be construed to be a statement made by any agent representing the property owner. No agent of the property owner shall be authorized to make such a disclosure as provided in this chapter or to verify the same.

[50-2623, added 2003, ch. 204, sec. 2, p. 545.]

50-2624. NOTIFICATION IN THE EVENT OF LEASE OR SALE. (1) Within thirty (30) days of the lease or sale of property located within a business improvement district, the lessor of the subject property in the case of a lease, or the seller of the subject property in the case of a sale, is required to submit a written copy of the notification of the lease or sale and the identity of the lessee or purchaser, to the legislative authority.

(2) The disclosures required by the provisions of this chapter shall be set forth in the following disclosure form. An alternative form may be utilized provided that the terms of such form shall be substantially similar to the terms set forth herein:

#### Business Improvement District Disclosure

Purchaser or lessee has received notification that the property purchased or leased is located within a business improvement district. Purchaser or lessee understands that they may be responsible to pay special assessments to the legislative authority responsible for the business improvement district.

I/we acknowledge receipt of a copy of this disclosure statement.

Seller/Lessor:

Buyer/Lessee:

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Date: .....

Date: .....

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Date: .....

Date: .....

[50-2624, added 2003, ch. 204, sec. 3, p. 545.]