

POCATELLO DEVELOPMENT AUTHORITY
Agenda for the meeting of
January 20, 2021 – 11:00 a.m.
Council Chambers – Pocatello City Hall

In-person attendance is allowed, but strict social distancing measures are in place.
Attendance is EXTREMELY limited in accordance with Governor Little's Modified Stage 2 order.
MASKS/FACE COVERINGS ARE REQUIRED.

City Hall is accessible to persons with disabilities. Program access accommodations may be provided with three days' advance notice by contacting Skyler Beebe at sbeebe@pocatello.us, 208.234.6248, or 5815 South 5th Avenue, Pocatello, Idaho.

In the event this meeting is still in progress at 12:00 p.m., a ten-minute recess may be called.

- 1. CALL TO ORDER, DISCLOSURE OF CONFLICT OF INTEREST, AND ACKNOWLEDGMENT OF GUESTS.**
- 2. ACTION ITEM – Minutes.** The Board may wish to waive the oral reading of the minutes and approve the minutes from the Board of Commissioners Regular Meeting held December 16, 2020. *See attached document.*
- 3. ACTION ITEM – Financial Report.** A financial report for the PDA will be provided by PDA Treasurer. The Board may wish to approve the financial report. *To be supplemented.*
- 4. ACTION ITEM – Expense Payments & Reimbursements.** The Board may wish to approve the payment or reimbursement of the following PDA expenses:
 - a. \$215.00 from General Fund to Elam & Burke for legal fees for the month of December 2020, re: Special Counsel General *See attached invoice.*
- 5. ACTION ITEM – Request for Contribution to Redevelopment Association of Idaho.** The Board may wish to receive a report concerning the activities and purposes of the Redevelopment Association of Idaho and to approve the request by the Redevelopment Association of Idaho of a contribution of \$1,250.00 or some lesser amount as the Board deems appropriate. *See attached RAI Annual Report and Legislative Summaries.*
- 6. ACTION ITEM – Discussion of Late Fees and Interest.** The Board may wish to discuss the payment of late fees and interest using TIF funds and what actions may or may not be taken regarding past payments including these items.
- 7. CALENDAR REVIEW** – The Board may wish to take this opportunity to inform other Board members of upcoming meetings and events that should be called to their attention.
- 8. ADJOURN.**

POCATELLO DEVELOPMENT AUTHORITY
MEETING MINUTES
December 16, 2020

Members present: Heidi Adamson, Scott Turner, , David Villareal, Rob Lion, Scott Smith

Members absent/excused: Terrel Tovey, Thomas Ottaway

Others present: Brent McLane, Executive Director; Jared Johnson, Pocatello City Attorney; Merril Quayle, Pocatello Public Works Development Engineer; and other members of the public

Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest. Chair Scott Smith called the meeting to order at approximately 11:02 a.m. No conflicts were disclosed at this time.

Agenda Item No. 2: Minutes. The minutes from the Board of Commissioners Regular Meeting held November 18, 2020 was considered. It was then **Motioned by R. Lion, Seconded by H. Adamson, and Confirmed unanimously** to approve the minutes as presented.

Agenda Item No. 3: Financial Report. A report was provided that included a bank statement of monthly income and expenses. No motion to approve the financials was presented due to the absence of an articulate review.

Agenda Item No. 4: Expense Payments & Reimbursements. The following invoices were considered for payment:

- a. \$1,250.00 from General Fund to Redevelopment Association of Idaho for annual dues and legislative contribution.

Smith reviewed the request and the purpose of the RAI, **Turner** asked for a copy of the RAI annual report and **McLane** stated that he has not received it yet. **Turner** wanted to learn more about where their influence is focused before the agency votes to financially support the RAI. **Lion** and **Adamson** supported **Turner**. **Adamson** asked **McLane** if he had heard from anyone with the Association of Idaho Cities, **McLane** had not. It was then **Motioned by H. Adamson, Seconded by D. Villareal, and Confirmed unanimously** to not approve payment to RAI for annual dues at this time.

- b. \$3,190.15 from General Fund to Elam & Burke for legal fees for the months of October and November 2020, re: Special Counsel General.

Smith reviewed the payment requests due to Elam & Burke. It was then **Motioned by H. Adamson, Seconded by R. Lion, and Confirmed unanimously** to approve the payment request.

Agenda Item No. 5: Airport TIF District. **McLane** reviewed the request by Frigitek, LLC for a reimbursement in the amount of \$43,840.41 for items that falls within the owner **participation** agreement namely civil engineering, construction management, mobilization, and consulting services. **Turner** asked if any portion of this request falls within previously denied requests, **McLane** confirmed that this request is not part of any previously denied request. It was then **Motioned by S. Turner, Seconded by R. Lion, and Confirmed unanimously** to approve the request of \$43,840.41 for reimbursement to Frigitek, LLC.

Agenda Item No. 6: Calendar Review: No calendar updates were provided.

Agenda Item No. 7: Adjourn: There being no further business, the meeting adjourned at approximately 11:37 a.m.

By: _____
Brent McLane
Executive Director

AGENDA ITEM

NO. 3

(Financials to be supplemented)

Pocatello Development Authority
Balance Sheet by Class

As of December 31, 2020

	1-General Fund	2-Central Corridor	3-North Yellowstone	4-Naval Ordnance	6-North Portneuf	7-Pocatello Regional Airport	9-Government Wide	Unclassified	TOTAL
ASSETS									
Current Assets									
Checking/Savings									
ICCU Checking	724,457.33	0.00	11,206.35	1,216,674.98	1,354,976.09	544,409.66	0.00	-17,056.25	3,834,658.93
ICCU Savings	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00
Total Checking/Savings	724,482.33	0.00	11,206.35	1,216,674.98	1,354,976.09	544,409.66	0.00	-17,056.25	3,834,683.35
Accounts Receivable									
Notes Receivable	343,275.69	0.00	0.00	0.00	0.00	0.00	0.00	18,785.58	362,061.35
Total Accounts Receivable	343,275.69	0.00	0.00	0.00	0.00	0.00	0.00	18,785.58	362,061.35
Other Current Assets									
Accrued Interest Income	23,923.72	0.00	0.00	374.33	145.57	228.76	0.00	0.00	24,672.38
Allowance for Doubtful Accounts	0.00	0.00	0.00	0.00	0.00	0.00	-111,285.39	0.00	-111,285.39
Property Tax Receivable	0.00	0.00	7,869.05	0.00	206,081.29	0.00	0.00	0.00	216,050.34
Total Other Current Assets	23,923.72	0.00	7,869.05	374.33	206,226.86	228.76	-111,285.39	0.00	129,437.33
Total Current Assets	1,091,881.74	0.00	19,175.40	1,217,049.31	1,563,202.95	544,638.62	-111,285.39	1,729.41	4,326,192.04
Other Assets									
Inventory - Leasehold	125,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125,000.00
Land	0.00	0.00	0.00	0.00	0.00	0.00	1,027,468.11	0.00	1,027,468.11
Total Other Assets	125,000.00	0.00	0.00	0.00	0.00	0.00	1,027,468.11	0.00	1,152,468.11
TOTAL ASSETS	1,216,881.74	0.00	19,175.40	1,217,049.31	1,563,202.95	544,638.62	916,182.71	1,729.41	6,478,660.16
LIABILITIES & EQUITY									
Liabilities									
Current Liabilities									
Other Current Liabilities									
Acct Payable	2,852.43	0.00	9,522.85	0.00	2,541.50	0.00	0.00	0.00	14,916.78
Notes Payable Short Term	0.00	0.00	0.00	0.00	0.00	0.00	17,740.20	0.00	17,740.20
Total Other Current Liabilities	2,852.43	0.00	9,522.85	0.00	2,541.50	0.00	17,740.20	0.00	32,656.98
Total Current Liabilities	2,852.43	0.00	9,522.85	0.00	2,541.50	0.00	17,740.20	0.00	32,656.98
Long Term Liabilities									
Deferred Interest Receivable	23,632.57	0.00	0.00	0.00	0.00	0.00	-23,632.57	0.00	0.00
Deferred Notes Receivable Rev	426,528.00	0.00	0.00	0.00	0.00	0.00	-426,528.00	0.00	0.00
Deferred Tax Revenues	0.00	0.00	0.00	0.00	206,081.29	0.00	0.00	0.00	206,081.29
Notes Payable Long Term	0.00	0.00	0.00	0.00	0.00	0.00	206,507.31	0.00	206,507.31
Total Long Term Liabilities	450,160.57	0.00	0.00	0.00	206,081.29	0.00	-451,734.55	0.00	206,507.31
Total Liabilities	453,013.00	0.00	9,522.85	0.00	210,622.79	0.00	-433,994.35	0.00	239,164.29
Equity									
Fund Balance	936,820.99	0.00	9,652.55	1,177,310.87	1,352,580.16	544,638.62	1,350,177.07	0.00	5,371,260.26
Net Income	-173,252.25	0.00	0.00	39,738.44	0.00	0.00	0.00	1,729.41	-131,794.40
Total Equity	763,568.74	0.00	9,652.55	1,217,049.31	1,352,580.16	544,638.62	1,350,177.07	1,729.41	5,239,465.86
TOTAL LIABILITIES & EQUITY	1,216,881.74	0.00	19,175.40	1,217,049.31	1,663,202.95	544,638.62	916,182.71	1,729.41	6,478,660.16

Agenda Item 4

251 East Front Street, Suite 300
Post Office Box 1539
Boise, Idaho 83701
Telephone 208 343-5454
Fax 208 384-5844

Tax Id No. 82-0451327

Pocatello Development Authority
Attn: Brent McLane
City of Pocatello
P.O. Box 4169
Pocatello, ID 83205

DECEMBER 31, 2020

Invoice # 188916

Billing Atty - MSC

RE: Special Counsel General

CLIENT/MATTER: 09212-00003

DECEMBER 31, 2020

Invoice # 188916

*** INVOICE SUMMARY PAGE ***

PROFESSIONAL FEES	215.00
COSTS ADVANCED	.00
TOTAL INVOICE	215.00

251 East Front Street, Suite 300
Post Office Box 1539
Boise, Idaho 83701
Telephone 208 343-5454
Fax 208 384-5844

Tax Id No. 82-0451327

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Attn: Brent McLane
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P.O. Box 4169
Pocatello, ID 83205

DECEMBER 31, 2020

Invoice # 188916

Billing Atty - MSC

FOR PROFESSIONAL SERVICES RENDERED

From DECEMBER 8, 2020 Through DECEMBER 31, 2020

RE: Special Counsel General

CLIENT/MATTER: 09212-00003

12/08/20	MSC	.20	Review and follow up on information provided by the STC indicating non-compliance with 50-2913. Draft email communication to agency director including the form to be completed and submitted.	43.00
12/09/20	MSC	.10	Call with Brent McLane concerning responding to I.C. 50-2913 reporting requirement. Follow up with reporting requirements cheat sheet.	21.50
12/16/20	MSC	.20	Review information provided by LSO and note compliance status. Follow up with Brent McLane concerning compliance and next steps.	43.00
12/18/20	MSC	.50	Call with Scott Smith to discuss request for reimbursement in the Portneuf District RAA.	107.50

ELAM & BURKE
ATTORNEYS AT LAW

251 East Front Street, Suite 300
Post Office Box 1539
Boise, Idaho 83701
Telephone 208 343-5454
Fax 208 384-5844

Tax Id No. 82-0451327

RE: Special Counsel General

CLIENT/MATTER: 09212-00003
DECEMBER 31, 2020
Invoice # 188916

ATTORNEY		RATE	HOURS	AMOUNT	NON-CHARGEABLE HOURS	AMOUNT
Conrad, Meghan S.	Shareholder	215.00	1.00	215.00	.00	.00
			1.00	215.00	.00	.00

COSTS ADVANCED

TOTAL COSTS ADVANCED .00

INVOICE TOTAL 215.00

BALANCE FORWARD 3,190.15

BALANCE DUE 3,405.15

Agenda Item 5

REDEVELOPMENT ASSOCIATION OF IDAHO

Idaho Legislative Session 2020 Report



**Prepared by
Benn Brocksome & Associates**

General Legislative Session Overview

The 2020 Idaho Legislative Session was a contentious one, partially stemming from the last week of the 2019 Legislative Session and partially as an election year with many social issues being a litmus test for campaigning. While the 2020 Session was tied for 4th shortest, it often felt like it was among the longest. The contentious atmosphere also transcended to attacks on local units of government and local taxing districts. RAI was successful in defeating, or amending several poor polices as the Idaho Legislature continued its attack on Urban Renewal.

At the outset of the session, the big issue for the legislature to tackle this year was property taxes, especially tax relief for the elderly. In the end, they failed to do anything other than approve an interim legislative committee to study property taxes for the second year in a row.

The entire first month of the session was consumed by the rules process. The omnibus package of rules in 2020 was a direct result from inaction by the legislature in 2019 on the passage of the “Go Home” bill that enacts all the approved agency rules for one year. This was further compounded by the mandated cuts to the rules from Governor Little’s Red Tape Reduction Act issued in January of 2019. In addition to all of this, some newly proposed rules were also introduced.

Sorting through all of this for the first time, and in a new way, caused the legislators to be frustrated, often mistrusting agencies who were presenting the cuts they made to the rule package. This process, while seemingly smooth from the outside looking in, got in the way of legislators working on the legislation they had promised their constituents.

As the session continued, bills began being introduced in rapid-fire succession. 559 bills were introduced, and resolutions, memorials, and proclamations totaled another 70. Each of these items had an introductory hearing at a minimum.

In response to the COVID 19 pandemic, the Speaker announced that the House would remain in place until their work was done or until there was a confirmed case of COVID 19 at the capitol, and similar sentiments were also expressed in the Senate. Both chambers continued moving full agendas, including balancing the budget and passing a wide variety of legislation to clear their calendars, leaving only a few items. This included processing the legislation we were working on.

With COVID 19 looming, the projection for adjournment was Wednesday March 17, 2020. That target passed. Lengthy debates over affirmative action, Idaho college and university budgets and diversity programs, restricting people who are transgender from altering their birth certificates or participating in sports, and outlawing abortion pending a hypothetical supreme court reversal on Roe v. Wade carried on until the end of session.

The Governor’s directives on coronavirus were met with pushback from legislators fearing the possibility that Governor Little may veto a number of bills. Despite all the fanfare, the Idaho Legislature reluctantly adjourned. The Senate finished Thursday March 19th at 6:33 PM and the House of Representatives adjourned Friday March 20th at 9:18 AM.

The House vote to adjourn was close, 32-28, with conservative members wanting to stay to override any potential vetoes. Two Senators left early Tuesday, March 17th, to isolate themselves



at home and questioned the wisdom of continuing to meet in person rather than adjourn early. After being chastised for objecting to a Senator's debate on a bill, the Lieutenant Governor, who presides over the Senate, also left for home early claiming health and safety reasons.

Ultimately, 347 bills passed both bodies and 42 resolutions, memorials, and proclamations moved forward. Of the 347 bills to pass many were being considered for signature, veto, or law without signature by the Governor following Sine Die. The Governor had ten days from the time bills were received to veto them after the session adjourned. Ultimately, all bills have been treated and the session is now formally closed.

As we move into the interim between the 2020 and 2021 sessions, it is important to remember every session of the legislature is a new season. 2020 is an election year where every Senate and House seat is up for election in November. The landscape in 2021 is sure to be different, exciting, and dynamic.

2020 Urban Renewal in the Idaho Legislature

Coming into the 2020 Legislative Session, members of the house and senate tax committees identified urban renewal laws as a top tier target yet again. Both Chairmen in the House and Senate along with the House Majority Leader, Mike Moyle, mounted a serious effort to pass legislation that would prohibit urban renewal projects from moving forward, change how they would be funded, and even discussed efforts to completely repeal all urban renewal policy. While much of the fanfare and comments about removing urban renewal entirely were made, what actually came to fruition was a continued threat of reworking urban renewal as part of the property tax interim committee. Other policies moved forward through the process and ultimately one bad bill was amended and passed.

2020 Lobbying Goals and Objectives

1. Monitor and assess threats to RAI in real time and communicate regularly to ensure RAI has an opportunity to participate on any pertinent legislation.
2. Thwart the passage of any anti-urban renewal legislation.
3. Seek to amend or modify legislation that could have a negative impact on urban renewal.
4. Build relationships with legislators and staff as well as community partners.

2020 Legislation

HOUSE BILL 409a

Nicknamed the “freeze bill”, this legislation would prohibit the use of funds beyond FY2019 figures for the property tax portion of budgets from local taxing districts that receive property tax revenue. While this bill was purported to be a solution to rising property taxes, it would in fact raise taxes for the majority of Idahoans due to a tax “shift”. Similarly, it would prevent growth and force a recession-like restriction whereby the growing portions of the state would be unable to approve new projects due to lack of funding to pay for growth.



While conservatives in the House used this bill as a soapbox to champion the call of lowering taxes, others saw the bill as an unnecessary burden on local governments that would create a bigger problem than it was seeking to solve. Despite strong passage in the House, the bill met its demise on the Senate floor with a vote of 11-24-0. This was a result of a large coalition working with Senate Leadership and the Governor's office as well as some in the house to stop this bill from reaching the Governor. This effort had strong political undertones from all of Senate leadership who rebuked their Senate Tax and local Government Chairman (Sen. Jim Rice) and Majority Leader Mike Moyle.

Following the defeat of this bill, the Senate broke with tradition, and a constitutional requirement that all tax bills pertaining to revenue start in the House, as they introduced two bills through Senate State Affairs. [SB1416](#) and [SB 1417](#). These bills would reestablish a homeowner's exemption index and increase the "circuit breaker" which enables low income homeowners to avoid increased property taxes. The House was never intending to consider either SB1416 or SB 1417, but the polices that had stalled in the house were brought to light by the Senate furthering the divide between the bodies on tax policy and pushing the issues to the interim property tax committee.

HOUSE BILL 587A

Rep. Mike Moyle and Sen. Jim Rice introduced multiple tax polies together during the 2020 Session. Included was [House Bill 484](#) later reintroduced with amended language to become [House Bill 587](#), which would again be amended in the Senate.

This legislation favors highway funding over urban renewal funding and places a roadblock on URD's who now have to work with, and have an agreement from, the highway district before the allocation of property tax revenues between a highway district and a revenue allocation area within the highway district are apportioned.

As this bill made its way through the House, efforts began to work with Sen. Anthon and Senate Leadership to address RAI's concerns. Multiple conversations, letters and committee testimony and several attempts to work on amending language with the Senators resulted in Sen. Anthon introducing amendments without incorporating feedback form RAI. While the amendments created a willingness for Senators, and ultimately the Governor, to accept the bill, it did not fully address the concerns of RAI and left us with an amended bill that still favored highway districts and ignored many of the enforcement and procedural concerns URD's have with the bill. Following Sine Die, the Governor and his staff considered the merits of the bill and decided to sign the bill into law. The bill takes effect July 1, 2020.

SENATE BILL 1303A

This legislation came as a result of some of the county officials and other constituents in Kotani County who dislike urban renewal districts and their authorities. They worked with Sen. Souza,



and Sen. Rice, to introduce this bill which puts limitations in an agency's ability to exercise eminent domain, depending on their bodies being elected or appointed. It also removes elected officials from URD's if they are no longer in office. Lastly it impacts an agency's ability to issue tax exempt bonds.

This bill was worked though committee in the senate, but the hearing lasted for over an hour. The CPAs and attorneys on the committee found several issues and debated the bill at length, it was sent to the amending order and amendments were engrossed almost three weeks later.

Again, Senators listened to comments from RAI but drafted amendments without proper technical input from RAI. Following the amendments, the bill passed out of the Senate. The bill was held at the desk of the Speaker, a procedural move to hold policy for leverage, correction, or otherwise, for almost a week and in early March it went to Committee where it never received a hearing.

2020 Interim and Next Steps for RAI

Local units of government saw an unprecedented barrage of punitive legislation in the 2020 session. Over 100 bills were introduced targeting how local entities govern, tax, bond, allocate, or function. Even those who have previously been champions of the local taxing districts and governments were in the mix and not willing to backstop issues brought by the usual suspects. This sentiment is likely to transcend the upcoming elections and leadership races in the House and Senate. Close attention should be paid to those in positions of leadership, how they work with the Governor and how they support or oppose local units of government.

The 2020 interim will also see a second year of property tax issues discussed in an interim committee. With the May primary elections looming and the world changed by COVID 19 there is much left to be determined with this interim committee. Expect committee members to be assigned and meetings to begin when participants can safely travel to the capitol for meetings in a group setting. Remote digital options may present themselves but leadership from both bodies have suggested they prefer to do the people's business in person.

Efforts should be made to establish or re-establish identified supporters of RAI in both bodies and in both parties. The efforts against urban renewal over the last few years will continue to work to erode our position bit by bit and new ideas will come forward. Having champions in both bodies and in leadership will be paramount.

Consideration should also be given to a comprehensive approach to redesigning how urban renewal is used in Idaho. This would be a benchmark policy that is brought by RAI. Although it would be uncomfortable and possibly even unproductive, playing offence with the Idaho legislature in 2021 could be a mechanism for positive outcomes and allow us to reassess who is supportive of the concepts pertaining to urban renewal in Idaho going forward.

Cover Photo courtesy of Idaho Historical Society*



Prepared by Benn Brocksome & Associates

SUMMARY OF SIGNIFICANT LEGISLATIVE ENACTMENTS 2019 LEGISLATIVE SESSION

The 2019 Legislative Session started slowly but ended up being a particularly long and challenging session, finally adjourning on April 11, 2019, one of the longer legislative sessions in recent years. The Legislature had significant issues to tackle, including, but not limited to, Medicaid expansion and public school funding formula changes, neither of which were ultimately resolved.

The trend of introducing legislation intended to impede local authority and control continued in 2019.

While there had been murmurings that urban renewal legislation was forthcoming, House Bill 217, significantly amending Idaho Code § 50-2905A, was not introduced until late in the Session, on February 27, 2019. Thereafter, following several twists and turns, House Bill 217 quickly made its way through the process and was signed by the Governor on April 9, 2019, with an effective date of July 1, 2019.

Due to the efforts of the Association of the Idaho Cities, the Redevelopment Association of Idaho, the Boise Metro Chamber of Commerce, the Chamber Alliance and other private interests, including bankers/lenders, amendments were made to House Bill 217 significantly lessening the impact of House Bill 217 as originally introduced.

House Bill 217, together with several other bills impacting all public entities, including urban renewal agencies, are discussed in greater detail below.

BILLS OF IMPORTANCE

HOUSE BILL 217, as amended in the Senate

House Bill 217 amends Idaho Code § 50-2905A enacted in 2016, which was a grand compromise limiting the use of revenue allocation funds to fund up to 50% of the total project costs for the construction of certain municipal buildings, including an administrative building, city hall, library, courthouse, public safety or law enforcement buildings, other judicial buildings, fire stations, jails, and detention facilities. Using revenue allocation funds to fund 51% or more of the total project costs required sixty percent (60%) voter approval by qualified electors within the borders of the qualified city or county, as the case may be.

Despite no known projects circumventing or failing to conform to the limitations of Idaho Code § 50-2905A, Representative Robert Anderst (Nampa), Representative Mike Moyle (Star), and Senator Dan Johnson (Lewiston) introduced House Bill 217 seeking to preclude the use of revenue allocation funds to fund the construction or remodel of a municipal building or a multipurpose sports stadium complex unless first approved in an election by fifty-five percent

(55%) of the participating qualified voters. The 2016 legislation allowed for allocation funds to be used for such facilities (though not mentioning sports facilities in 2016), so long as the funds did not exceed 51% of the project costs. The original House Bill would have required a vote if just one dollar of revenue allocation was spent. Additionally, the municipal building definition was greatly expanded to include structures “owned, leased, or operated by a municipality for the public’s benefit that is not subject to property taxation.” This broadened definition would have included fairly small projects such as using revenue allocation to fund a public restroom in a park. Multipurpose sports stadium complex was also broadly defined and captured park amphitheaters. House Bill 217 did include an exception allowing for the funding of certain public infrastructure or belowground improvements ancillary to a municipal building or multipurpose sports stadium complex project without voter approval. Finally, House Bill 217 included an emergency clause. The drafters of House Bill 217 did not seek stakeholder input.

There were a significant number of individuals testifying in support of House Bill 217 at the House Revenue and Taxation Committee hearing, including many individuals generally supportive of urban renewal. The bill passed out of Committee to the House floor.

House Bill 217 passed the House on March 11, 2019 (59-11). Thereafter, significant efforts were made to have the bill held in the Senate Local Government and Taxation Committee. The bill’s progress stalled between March 12-March 21, 2019.

At the Senate Local Government and Taxation Committee hearing on March 21, 2019, the bill sponsors requested House Bill 217 be sent to the amending order. There were no amendments reviewed or discussed at the Senate Local Government and Taxation Committee hearing. The scope of any proposed amendments was unknown and there was no public vetting of any proposals. Again, stakeholder input was not sought. Many were present to testify in opposition to House Bill 217; there were far fewer testifying in support of the bill.

Great effort was undertaken to determine the scope of any amendments, review and assess impact of the proposed amendments, and determine whether there was an opportunity for multiple amendments. This work occurred on an accelerated schedule.

There were two competing amendments discussed on the Senate floor presented by 1) Senator Grant Burgoyne and 2) Senator Jim Rice and Senator Todd Lakey. Senator Burgoyne’s amendments attempted to take a more surgical approach to amending Idaho Code § 50-2905A by addressing the issues raised in House Bill 217 but also working with the existing language.

Senator Burgoyne’s amendment proposed the following:

- Reinsert the 51% funding threshold;
- Allow for public-public partnerships by permitting other public entities to match the revenue allocation funding to fund up to 100% of a municipal building;
- Included multipurpose sports stadium complex in the definition of public building;

- Used the existing definition of municipal building but added “owned or operated by or leased to a public entity”; and
- Removed the emergency clause.

Senator Rice and Senator Lakey’s amendment proposed a significant re-write of House Bill 217 as if starting over; however, there was no public or stakeholder vetting of this version of the bill. The amendment proposed the following:

- Reinserted 51% threshold;
- Revenue allocation funds plus other public funds may be combined to reach 51% threshold (excludes federal funds);
- Includes remodels as well as new construction;
- \$1M projects are exempt and may be fully funded with revenue allocation funds without voter approval;
- Reinserted voter approval requirement of 60% (up from 55% in original version);
- Clarified scope of infrastructure exception and “grandfathered” previous bond issues;
- Added indoor venues to the definition of multi-purpose sports stadium complex;
- Revised the scope of the municipal building definition in an effort to avoid including “public restrooms in parks” and added the following to the end of the definition: “that are not subject to property taxation whether they are, or are intended to be, owned or operated by or leased to a public body for the public’s benefit”;
- Added definitions of “public body” and “public funds”; and
- Removed the emergency clause.

Both amendments were debated on the Senate floor with Senator Rice and Senator Lakey’s amendments prevailing.

Despite significant efforts to educate lawmakers on the grand compromise reached in HB606 (2016), the lack of stakeholder review and input during the process and the expressed willingness to work with the amendment drafters, on March 26, 2019, the Senate approved HB217, as amended, following suspension of the rules on a vote of 20-14-1 in favor of passage.

HB217, as amended was returned to the House for concurrence. The bill, as amended, passed out of the House Revenue and Taxation Committee on April 1, 2019, and ultimately passed the House on April 3, 2019, after suspension of the rules on a vote of 55-13-2 in favor of passage.

The Governor signed the bill into law on April 9, 2019, with an effective date of July 1, 2019.

House Bill 217, as amended, is flawed and will be difficult to implement. How the exceptions will be applied and construed will need to be reviewed and analyzed on a case-by-case basis. This bill does not address debt but how funds may be spent and will apply even when agency

has revenue allocation funds on hand to fully fund a municipal building or multipurpose sports stadium complex. It is unclear at what point “total project costs” are locked in and what would happen in the case where a project was commenced in good faith compliance on the statute, but due to cost overruns the agency has run afoul of the 51% threshold and/or of the \$1 million dollar exception. The bill also will challenge how to combine funds from private and other public sources to fund these projects without triggering a vote.

HOUSE BILL 193

House Bill 193 clarifies the State Tax Commission’s role in reviewing boundary maps and legal descriptions for formation of a new tax code area or any amendments to an existing tax code area.

Following submission of a map and legal description, as required by Idaho Code § 63-215 (which includes the formation or amendment to the boundaries of a revenue allocation area), the State Tax Commission shall review and notify the affected taxing authority of any errors or omissions in the mapping or legal description within twenty-eight (28) days after receiving the original request. The notification shall list the errors or omissions along with any possible remedies or corrections. The taxing authority shall be provided an additional twenty-eight (28) days after receiving the requested change from the state tax commission to provide a corrected map and legal description. Failure to provide a corrected map and/or legal may result in the state tax commission directing that the formation or change not be recognized for property tax purposes.

HOUSE BILL 160

House Bill 160 amends Idaho Code § 67-2808 and clarifies that an emergency is not required to make a sole-source purchase as long as the local governmental entity meets the other requirements for a sole-source purchase.

SENATE BILL 1047

Senate Bill 1047 repeals and replaces Idaho Code § 67-2807, the procurement statute, related to political subdivisions. Modifications include allowing a political subdivision to participate in cooperative purchasing agreements with the State, other Idaho political subdivisions, other government entities, or associations thereof.

HOUSE BILL 184

House Bill 184 amends Idaho Code § 67-450B to increase the expenditure levels required of a local governing entity from \$100,000 to \$150,000 before that entity is subject to an audit.

HOUSE BILL 164

House Bill 164 amends Idaho Code § 63-109 to require the State Tax Commission to provide written notice to county assessors and commissioners by the first Monday of April each year if it has reason to believe that a county assessor has improperly assessed a category of property. Failure to notify the county of potentially improper assessments prevents the State Tax Commission from equalizing that category of property.

ADMINISTRATIVE RULES

The Legislature failed to reauthorize all of the administrative rules during the 2019 Legislative Session, meaning all administrative rules automatically sunset on July 1. Each agency was tasked with reviewing its rules and identifying a rule that could be eliminated. The Division of Financial Management posted the list of rules identified for elimination and solicited public comments. Ultimately, Governor Little will decide before July 1 whether to let a rule expire.

The rules identified for reauthorization were published as “temporary and proposed rules” in a special edition of the Idaho Administrative Bulletin on June 19, 2019. Each agency will accept written comments in accordance with law. All rules reauthorized through this process are subject to legislative review during the 2020 legislative session if not accepted by the legislature and will expire next July 1. We are closely monitoring the impact of this process on the Property Tax Rules.

PROSPECTS FOR 2020

There may be legislation offered for consideration in the 2020 legislative session revisiting the Idaho Urban Renewal Law and the Idaho Economic Development Act. No details have been released. With a new governor in office and changes to the legislative make-up, closely following events and early contact with legislators will be very important. As with House Bill 217, it is clear active opposition by AIC, RAI, and others played an important role in reducing the impact of HB217. We anticipate another active and long Session in 2020.

SUMMARY OF SIGNIFICANT LEGISLATIVE ENACTMENTS 2020 LEGISLATIVE SESSION

The 2020 Legislative Session, although short in duration, was contentious. The Session commenced with significant concerns of potential urban renewal legislation and further attacks on local units of government, generally continuing the trend from the 2019 Session. With the Association of Idaho Cities (“AIC”) continuing its search for an Executive Director and its retention of a contract governmental relations firm, Benn Brocksome & Associates, the Redevelopment Association of Idaho, Inc. (“RAI”) recognized its interests of retaining urban renewal as a local economic development tool were underrepresented at the Statehouse and, following consultation with AIC, retained Benn Brocksome for the 2020 Session.

Benn Brocksome provided RAI with the Idaho Legislative Session 2020 Report (the “2020 Report”), which was previously circulated to the RAI membership. In that 2020 Report, Benn reviewed and analyzed several bills directly impacting urban renewal:

- House Bill 409 – Property Tax “Freeze Bill” – did not pass.
- House Bill 484/587 – After July 1, 2020, for new (or amended to add geographic area) revenue allocation areas, urban renewal agencies will no longer receive the levies on the tax increment value from highway districts unless a different allocation is agreed to in writing between the highway district and the agency. To the extent the local governing body that created the revenue allocation area has responsibility for the maintenance of the roads or highways, then the allocation to the highway district would not apply. Bill effective July 1, 2020.
- Senate Bill 1303 – Limited ability of an appointed agency board to exercise eminent domain and provided for the removal of elected officials from the agency board if no longer in office. Bill did not pass.

While there had been murmurings that urban renewal legislation was forthcoming related to continuing efforts to limit use of revenue allocation funds, House Bill 484, which was replaced by HB587, was a surprise. It appeared to be a resolution to a specific local issue.

The trend of introducing legislation intended to impede local authority and control continued in 2020. As a result of the continued debate centering around property tax relief, and with no solutions reached during the Session, Senate Concurrent Resolution 134 authorized the legislative council to appoint an interim committee to undertake and complete a study of property taxes and property tax revenue expenditures (the “Property Tax Interim Committee”). The Legislative Council met on June 5, 2020, and appointed the following members to the Property Tax Interim Committee:

- Sen. Jim Rice, Co-Chair (District 10)
- Rep. Jim Addis, Co-Chair (District 4)
- Sen. Jim Guthrie (District 28)
- Sen. Kelly Anthon (District 27)

- Sen. Scott Grow (District 14)
- Sen. Grant Burgoyne (District 16)
- Rep. Mike Moyle (District 14)
- Rep. Jason Monks (District 22)
- Rep. Rod Furniss (District 35)
- Rep. Lauren Necochea (District 19)
- Sen. Jim Woodward (District 1) – Ad Hoc
- Rep. John Vander Woude (District 22) – Ad Hoc
- Rep. John Gannon (District 17) – Ad Hoc

In addition to the previously distributed 2020 Report, several other bills impacting all public entities, including urban renewal agencies, are discussed in greater detail below.

BILLS OF IMPORTANCE

HOUSE BILL 560

House Bill 560 removes the agricultural exemption on the speculative portion of value in Idaho Code § 63-602K. Under current law, there is an increase to the base assessment roll upon removal of the agricultural tax exemption: “provided any increase in valuation caused by the removal of the agricultural tax exemption from undeveloped agricultural land in a revenue allocation area shall be added to the base assessment roll.” Idaho Code § 50-2903(4). A likely unintended consequence of HB560, since there is no longer an agricultural tax exemption, the increase in value from a change in use will be added to the increment value instead of the base value. House Bill 560 is effective July 1, 2020.

SENATE BILL 1338

Senate Bill 1338 amends the Public Records Act to exempt from disclosure certain personal information, including social security numbers and personal data identifiers may be disclosed only in the following redacted format:

- initials of any minor children;
- date of birth in substantially the following format: “xx/xx/birth year”;
- last four digits of a financial account number: “xxxxx1234”;
- last four digits of a driver’s license number: “xxxxx350F”;
- last four digits of an employer identification number or business taxpayer identification number.

Senate Bill 1338 is effective July 1, 2020.

HOUSE BILL 601

House Bill 601 amends the Public Records Act which, in part, amends the definition of “public record” to add an exception: “provided, however, that personal notes created by a public

official solely for his own use shall not be a public record as long as such personal notes are not shared with any other person or entity.” Idaho Code § 74-101(13).

Further, House Bill 601 amends the information included in a public records request to add additional specificity. The request may specifically describe “the subject matter and records sought, including a specific date range for when the records sought were created. The requesting party shall be as specific as possible when requesting records. A request shall describe the records sought in sufficient detail to enable the public body to locate such records with reasonable effort.”

Finally, House Bill 601 includes special protections for information concerning legislators and their communications during the legislative session.

House Bill 601 is effective July 1, 2020.

HOUSE BILL 354

House Bill 354 amends existing law to provide a process for a taxing district to explicitly reserve by resolution, such unused forgone in order to preserve use of the reserved amount in a subsequent year. Failure to preserve the forgone by resolution results in a permanent loss of the taxing district’s ability to recover the forgone increase in the future.

House Bill 354 is effective July 1, 2020.

HOUSE BILL 408

House Bill 408 revises the sales tax distribution formula allocating revenue to the cities. This bill will impact a city’s portion of the sales tax distribution and could create unforeseen budgeting issues.

House Bill 408 is effective July 1, 2020.

House Bill 521

House Bill 521 encourages the construction and location of large-scale data centers in Idaho (Google, Facebook, other cloud type facilities). The bill provides a sales tax exemption for the capital expenditure. The bill clarifies that data center server equipment is not included in the definition of “new construction” for property tax purposes, which may impact revenue allocation proceeds should a data center of this type propose to locate within a revenue allocation area.

House Bill 521 is effective July 1, 2020.

House Bill 440

According to the Statement of Purpose, House Bill 440 prohibits the state of Idaho and its political subdivisions from “discriminating against or granting special treatment to any individual based on race, sex, color, ethnicity, or national origin in the operation of employment, education or contracting. All applicants should be treated equal unless there are qualifications based on sex that are reasonably necessary.” The bill amends Idaho Code § 67-2809 which applies to urban renewal agencies.

Governor’s Property Tax Relief Fund

According to a press release dated June 11, 2020, “The Governor’s Coronavirus Financial Advisory Committee approved an allocation of up to \$200M for a new program that leverages federal coronavirus relief funds to cover local public safety salaries for cities and counties with the opportunity to pass on the savings to property taxpayers.” The relief could result in a 10-20 percent reduction in property tax bills according to the release. Local governments have until July 17, 2020, to opt into the program. Details as to how the \$200M will be distributed remain a work in progress. The prevailing consensus is the funds would result in a reduction in property tax levies which could reduce revenue allocation funds.

PROSPECTS FOR 2021

There may be legislation offered for consideration in the 2021 legislative session revisiting the Idaho Urban Renewal Law and the Idaho Economic Development Act. No details have been released. With the upcoming election and likely changes to the legislative make-up, closely following events and early contact with legislators will be very important. It is clear active opposition by AIC, RAI, and others played an important role in reducing the impact of HB587 and successful opposition of HB409. We anticipate another active and long Session in 2021.