

1. Auditorium Districts are governed by Title 67, Chapter 49, Idaho Code.
2. “An auditorium or community center district is one to build, operate, maintain, market and manage for public, commercial and/or industrial purposes by any available means public auditoriums, exhibition halls, convention centers, sports arenas and facilities of a similar nature, and for that purpose any such district shall have the power to construct, maintain, manage, market and operate such facilities.” I.C. § 67-4902.
3. “The district court sitting in and for any county in this state . . . is hereby vested with jurisdiction, power and authority to establish districts which may be entirely within or partly within and partly without the judicial district in which said court is located.” I.C. § 67-4903.
4. “The organization of a district shall be initiated by a petition filed in the office of the clerk of the court . . . in a county in which the major part of the real property in the proposed district is situated. The petition shall be signed by not less than ten percent (10%) of the qualified electors who reside within the boundaries of the proposed district, and not less than ten (10) of whom shall reside in each election precinct which is wholly or partially within the boundaries of any such proposed district.” I.C. § 67-4904.
5. The required contents of a petition are set out in I.C. § 67-4904, which include: the name of the district, a description of the facilities and marketing program, estimated cost and annual budget, maximum tax rate, and general description of the boundaries of the district. A bond is required with the petition to cover all expenses connected with the proceedings to establish the district in case the effort fails. I.C. § 67-4905. The bond is approved by the Court, but the petitioners initially set the amount.
6. After filing the petition and before the hearing, a petition nominating directors of the district should be filed. I.C. § 67-4907.
7. A hearing will be held on the petition between 20 and 40 days after filing. Notice of the hearing is published by the clerk of the court, who also mails a copy of the notice to the board of county commissioners, and city governing bodies via certified mail. I.C. § 67-4906. This is one cost that should be adequately covered by the bond.
8. If the court finds that the petition meets the statutory requirements, it shall direct that the question of the organization of the district be submitted to the qualified electors within the proposed district. It shall also order that the directors qualified under the statute shall be listed on the ballot. I.C. § 67-4907.
9. The electors then vote for or against organization, and for five (5) directors. A majority of votes cast will determine the issue. I.C. § 67-4907.
10. The powers of the board are set out in I.C. § 67-4912 and are similar to the powers of other governmental and quasi-governmental boards.

As far as financing goes, property taxes as a means of financing an auditorium district are addressed in both § 67-4912(o) and § 67-4913. In the latter statute, it says: “Districts with a population of ***more than twenty-five thousand (25,000) persons*** shall ***not*** have the power and authority to levy and collect property taxes on and against all taxable property within the district.” [Emphasis added.] Like an urban renewal district, an auditorium district does not have to encompass the entire City. Therefore, theoretically, a district could be

formed in part of the City and have a population under 25,000. In districts with a population under 25,000, the board of the district may levy and collect a property tax at a rate which does not exceed the maximum authorized by the petition establishing the district. The law does not seem to set a maximum rate. *See* Idaho Code § 67-4904(4). An auditorium district levies and collects taxes in much the same way as any other taxing district, that is, by fixing the levy based on the district's budget and certifying the levy rate to the county. *See* Idaho Code § 67-4914.

Auditorium districts, ***including districts with more than 25,000 in population***, may also levy a sales tax not to exceed the maximum tax rate set out in the petition on hotel and motel receipts within the district boundaries. *See* Idaho Code § 67-4917B. The district can administer the sales tax itself or, like other local sales taxes, the district can contract with the State Tax Commission to collect the tax for a fee. *See* Idaho Code § 67-4917C. A sales tax must be authorized by the petition creating the district. *See* Idaho Code § 67-4918. The authority of auditorium districts with populations greater than 25,000 to impose a sales tax was affirmed in *Greater Boise Auditorium District v. Royal Inn*, 106 Idaho 884 (1984).

A third funding source would be negotiable coupon bonds. These bonds may be used "to pay the necessary and ordinary expenses of a district." *See* Idaho Code § 67-4921. If any acquisition, construction, installation or completion of facilities requires an indebtedness of more than \$75,000, or if the indebtedness will exceed the annual income and revenue of the district, the proposal to issue bonds will have to be decided at an election involving the qualified electors of the district. *See* Idaho Code § 67-4922.

Finally, the district can apply for and utilize grant money or enter into cooperative contracts with other entities, public or private, to build, erect, market, or otherwise construct facilities. *See* Idaho Code § 67-4912(d). In other words, the district could enter into contracts with other governmental entities or private companies to jointly fund an auditorium district, and to build and maintain the district's facilities.