

**SB167/LC0554 – Tax Increment Financing**

Current Situation (1/14/05):

Tax increment financing is an excellent tool and has been used in Montana for the development of industrial parks and removal of slum and blight. Cities have worked diligently to develop areas where the primary sector businesses can locate. Some of the businesses we're dealing with are technology companies and do not fit under the definition of industry; they are primary sector businesses but not purely defined as manufacturers. Tax increment financing is an excellent tool to develop industrial parks. This change would allow for the development of tech parks as well. If this bill should pass, all the tenants would have to be primary sector but it would allow for technology companies to have the same level of support from the communities as manufacturing companies.

With the graduation rates for both two-year and four-year universities, it is apparent that Montana will see more tech parks than it will industrial parks. Giving the communities this tool will enable us to develop centers within our communities where we can consolidate those companies and provide them the right public services.

Senate Local Govt. Comm.  
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