

## 1 SENATE BILL NO. 246

2 INTRODUCED BY D. LEWIS

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A MUNICIPALITY TO CREATE AN INTERSTATE  
5 HIGHWAY INTERCHANGE TAX INCREMENT FINANCING DISTRICT; PROVIDING FOR THE PURPOSE AND  
6 OPERATION OF THE DISTRICT; AMENDING SECTIONS 7-15-4282, 7-15-4283, 7-15-4284, 7-15-4286,  
7 7-15-4288, AND 7-15-4290, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 NEW SECTION. **Section 1. Interstate highway interchange district.** (1) A local governing body, by  
12 ordinance and following a public hearing, may authorize the creation of an interstate highway interchange district  
13 for interstate highway exit projects if the proposed district:

14 (a) consists of a continuous area with an accurately described boundary adjacent to or transected by  
15 an interstate highway;

16 (b) is found to be in need of an exit from the interstate highway; and

17 (c) has as its purpose the development of an interstate highway exit.

18 (2) An interstate highway interchange district may use tax increment financing pursuant to the provisions  
19 of 7-15-4282 through 7-15-4293 and this section.

20 (3) The governing body shall enter into an agreement with the department of transportation, provided  
21 for in 2-15-2501, for the planning, design, and construction of an interstate highway exit located within the  
22 district. The municipality may apply the tax increment to reimburse the department of transportation for the costs  
23 incurred in the planning, design, and construction of an interstate highway exit.

24  
25 **Section 2.** Section 7-15-4282, MCA, is amended to read:

26 **"7-15-4282. Authorization for tax increment financing.** Any urban renewal plan, as defined in  
27 7-15-4206, interstate highway interchange district ordinance adopted pursuant to [section 1], or industrial district  
28 ordinance; adopted pursuant to 7-15-4299; may contain a provision or be amended to contain a provision for  
29 the segregation and application of tax increments, as provided in 7-15-4282 through 7-15-4292."

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1           **Section 3.** Section 7-15-4283, MCA, is amended to read:

2           **"7-15-4283. Definitions related to tax increment financing.** For purposes of 7-15-4282 through  
3 7-15-4292, ~~and~~ 7-15-4297 through 7-15-4299, and [section 1], the following definitions apply unless otherwise  
4 provided or indicated by the context:

5           (1) "Actual taxable value" means the taxable value of taxable property at any time, as calculated from  
6 the assessment roll last equalized.

7           (2) "Aerospace transportation and technology district" means a tax increment financing aerospace  
8 transportation and technology district created pursuant to 7-15-4296.

9           (3) "Aerospace transportation and technology infrastructure development project" means a project  
10 undertaken within or for an aerospace transportation and technology district that consists of any or all of the  
11 activities authorized by 7-15-4288.

12           (4) "Base taxable value" means the actual taxable value of all taxable property within an urban renewal  
13 area, industrial district, or aerospace transportation and technology district prior to the effective date of a tax  
14 increment financing provision. This value may be adjusted as provided in 7-15-4287 or 7-15-4293.

15           (5) "Incremental taxable value" means the amount, if any, by which the actual taxable value at any time  
16 exceeds the base taxable value of all property within an urban renewal area, industrial district, or aerospace  
17 transportation and technology district subject to taxation.

18           (6) "Industrial district" means a tax increment financing industrial district created pursuant to 7-15-4299.

19           (7) "Industrial infrastructure development project" means a project undertaken within or for an industrial  
20 district that consists of any or all of the activities authorized by 7-15-4288.

21           (8) "Interstate highway interchange district" means a tax increment financing interstate highway  
22 interchange district created pursuant to [section 1].

23           ~~(9)~~(9) "Municipality", for the purpose of an industrial district created pursuant to 7-15-4297 through  
24 7-15-4299 or an interstate highway interchange district created pursuant to [section 1] and operating pursuant  
25 to 7-15-4282 through 7-15-4293, [section 1], and part 43 of this chapter, means any incorporated city or town,  
26 county, or city-county consolidated local government.

27           ~~(9)~~(10) "Tax increment" means the collections realized from extending the tax levies, expressed in mills,  
28 of all taxing bodies in which the urban renewal area, interstate highway interchange district, industrial district,  
29 aerospace transportation and technology district, or a part of an area or district is located against the incremental  
30 taxable value.

1           ~~(10)~~(11) "Tax increment provision" means a provision for the segregation and application of tax  
2 increments as authorized by 7-15-4282 through 7-15-4292.

3           ~~(11)~~(12) "Taxes" means all taxes levied by a taxing body against property on an ad valorem basis.

4           ~~(12)~~(13) "Taxing body" means any city, town, county, school district, or other political subdivision or  
5 governmental unit of the state, including the state, that levies taxes against property within the urban renewal  
6 area, interstate highway interchange district, industrial district, or ~~an~~ aerospace transportation and technology  
7 district."

8

9           **Section 4.** Section 7-15-4284, MCA, is amended to read:

10           **"7-15-4284. Filing of tax increment provisions of urban renewal plan or industrial district**  
11 **ordinance.** (1) The clerk of the municipality shall file a certified copy of each urban renewal plan, interstate  
12 highway interchange district ordinance, or industrial district ordinance or an amendment ~~thereto~~ to a plan or  
13 ordinance containing a tax increment provision with the state, county, or city officers responsible for assessing  
14 and determining the taxable value of taxable property within the urban renewal area, interstate highway  
15 interchange district, or industrial district ~~ordinance~~ or any part ~~thereof~~ of the area or district.

16           (2) A certified copy of the plan, interstate highway interchange district ordinance, industrial district  
17 ordinance, or amendment must also be filed with the clerk or other appropriate officer of each of the affected  
18 taxing bodies."

19

20           **Section 5.** Section 7-15-4286, MCA, is amended to read:

21           **"7-15-4286. Procedure to determine and disburse tax increment.** (1) Mill rates of taxing bodies for  
22 taxes levied after the effective date of the tax increment provision must be calculated on the basis of the sum  
23 of the taxable value, as shown by the last equalized assessment roll, of all taxable property located outside the  
24 urban renewal area, interstate highway interchange district, or industrial district and the base taxable value of  
25 all taxable property located within the urban renewal area, interstate highway interchange district, or industrial  
26 district. The mill rate determined must be levied against the sum of the actual taxable value of all taxable  
27 property located within as well as outside the urban renewal area, interstate highway interchange district, or  
28 industrial district.

29           (2) (a) The tax increment, if any, received in each year from the levy of the combined mill rates of all  
30 the affected taxing bodies against the incremental taxable value within the urban renewal area, interstate

1 highway interchange district, or industrial district, except for the university system mills levied and assessed  
2 against property, must be paid into a special fund held by the treasurer of the municipality and used as provided  
3 in 7-15-4282 through 7-15-4292.

4 (b) The balance of the taxes collected in each year must be paid to each of the taxing bodies as  
5 otherwise provided by law."  
6

7 **Section 6.** Section 7-15-4288, MCA, is amended to read:

8 **"7-15-4288. Costs that may be paid by tax increment financing.** The tax increments may be used  
9 by the municipality to pay the following costs of or incurred in connection with an urban renewal project, industrial  
10 infrastructure development project, interstate highway exit project, or aerospace transportation and technology  
11 infrastructure development project:

12 (1) land acquisition;

13 (2) demolition and removal of structures;

14 (3) relocation of occupants;

15 (4) the acquisition, construction, and improvement of infrastructure, industrial infrastructure, interstate  
16 highway interchange infrastructure, or aerospace transportation and technology infrastructure that includes  
17 streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and offstreet parking facilities,  
18 sewers, sewer lines, sewage treatment facilities, storm sewers, waterlines, waterways, water treatment facilities,  
19 natural gas lines, electrical lines, telecommunications lines, rail lines, rail spurs, bridges, lights, spaceports for  
20 reusable launch vehicles with associated runways and launch, recovery, fuel manufacturing, and cargo holding  
21 facilities, publicly owned buildings, and any public improvements authorized by parts 41 through 45 of chapter  
22 12, parts 42 and 43 of chapter 13, and part 47 of chapter 14 and items of personal property to be used in  
23 connection with improvements for which the foregoing costs may be incurred;

24 (5) costs incurred in connection with the redevelopment activities allowed under 7-15-4233;

25 (6) acquisition of infrastructure-deficient areas or portions of areas;

26 (7) administrative costs associated with the management of the industrial district, interstate highway  
27 interchange district, or the aerospace transportation and technology district;

28 (8) assemblage of land for development or redevelopment by private enterprise or public agencies,  
29 including sale, initial leasing, or retention by the municipality itself at its fair value;

30 (9) the compilation and analysis of pertinent information required to adequately determine the

1 infrastructure needs of secondary, value-adding industries in the industrial district or the needs of an aerospace  
 2 transportation and technology infrastructure development project in the aerospace transportation and technology  
 3 district;

4 (10) the connection of the industrial district, interstate highway interchange district, or ~~the~~ aerospace  
 5 transportation and technology district to existing infrastructure outside the industrial district, interstate highway  
 6 interchange district, or ~~the~~ aerospace transportation and technology district;

7 (11) the provision of direct assistance, through industrial infrastructure development projects or  
 8 aerospace transportation and technology infrastructure development projects, to secondary, value-adding  
 9 industries to assist in meeting their infrastructure and land needs within the industrial district or the aerospace  
 10 transportation and technology district; and

11 (12) the acquisition, construction, or improvement of facilities or equipment for reducing, preventing,  
 12 abating, or eliminating pollution."

13

14 **Section 7.** Section 7-15-4290, MCA, is amended to read:

15 **"7-15-4290. Use of property taxes and other revenues revenue for payment of bonds.** (1) (a) The  
 16 tax increment derived from an urban renewal area may be pledged for the payment of revenue bonds issued  
 17 for urban renewal projects or of general obligation bonds, revenue bonds, or special assessment bonds issued  
 18 to pay urban renewal costs described in 7-15-4288 and 7-15-4289.

19 (b) The tax increment derived from an industrial district may be pledged for the payment of revenue  
 20 bonds issued for industrial infrastructure development projects or of general obligation bonds, revenue bonds,  
 21 or special assessment bonds issued to pay industrial district costs described in 7-15-4288 and 7-15-4289.

22 (c) The tax increment derived from an interstate highway interchange district may be pledged for the  
 23 payment of revenue bonds issued for interstate highway exit projects or of general obligation bonds, revenue  
 24 bonds, or special assessment bonds issued to pay interstate highway interchange district costs described in  
 25 7-15-4288 and 7-15-4289.

26 (2) Any municipality issuing ~~such~~ bonds referred to in subsection (1) may, by resolution of its governing  
 27 body, enter into a covenant for the security of the bondholders, detailing the calculation and adjustment of the  
 28 tax increment and the taxable value on which it is based and, after a public hearing, pledging or appropriating  
 29 other ~~revenues~~ revenue of the municipality, except property taxes prohibited by subsection ~~(2)~~ (3), to the  
 30 payment of ~~such~~ the bonds if collections of the tax increment are insufficient.

