

SENATE BILL NO. 419

INTRODUCED BY V. JACKSON

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3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING TAX INCREMENT FINANCING DISTRICT LAWS;
5 ALLOWING A COUNTY TO CREATE A COUNTY ROAD IMPROVEMENT AND MAINTENANCE TAX
6 INCREMENT FINANCING DISTRICT; STANDARDIZING THE STATUTES RELATED TO TAX INCREMENT
7 FINANCING DISTRICTS BY CORRECTING CERTAIN INTERNAL REFERENCES AND TERMINOLOGY AND
8 BY ENSURING CONSISTENT APPLICATION OF CERTAIN STATUTES TO EACH TYPE OF TAX INCREMENT
9 FINANCING DISTRICT; AMENDING SECTIONS 7-15-4282, 7-15-4283, 7-15-4284, 7-15-4286, 7-15-4288,
10 7-15-4290, 7-15-4292, 7-15-4293, 7-15-4294, 7-15-4295, 7-15-4296, 7-15-4299, 7-15-4301, 7-15-4302,
11 7-15-4304, AND 7-15-4324, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14
15 NEW SECTION. **Section 1. County road improvement and maintenance district.** (1) A local
16 governing body, by ordinance and following a public hearing, may authorize the creation of a county road
17 improvement and maintenance district for county road improvement and maintenance infrastructure development
18 projects. The proposed district:

- 19 (a) must consist of a continuous area with an accurately described boundary that has been subdivided
- 20 for residential development;
- 21 (b) must, prior to its creation, be found to be deficient in transportation infrastructure improvements,
- 22 including adequately paved or maintained roads from the district to a paved and maintained county road;
- 23 (c) must have as its purpose the development of transportation infrastructure within the district to a paved
- 24 county road, which may include but is not limited to paving, graveling, maintenance, or dust abatement;
- 25 (d) may not comprise any property included within an existing urban renewal area, industrial district,
- 26 technology district, or aerospace transportation and technology district; and
- 27 (e) must be outside the boundaries of an incorporated city or town.
- 28 (2) The ordinance may use tax increment financing pursuant to the provisions of 7-15-4282 through
- 29 7-15-4294 and this section.
- 30 (3) The ordinance may include a provision for phased-in transportation infrastructure development of the

1 district.

2

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

4 **"7-15-4282. Authorization for tax increment financing.** Any urban renewal plan, as defined in
5 7-15-4206, county road improvement and maintenance district ordinance adopted pursuant to [section 1],
6 industrial district ordinance, adopted pursuant to 7-15-4299, ~~or~~ technology district ordinance, adopted pursuant
7 to 7-15-4295, or aerospace transportation and technology district ordinance adopted pursuant to 7-15-4296 may
8 contain a provision or be amended to contain a provision for the segregation and application of tax increments,
9 as provided in [section 1] and 7-15-4282 through ~~7-15-4292~~ 7-15-4299."

10

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

12 **"7-15-4283. Definitions related to tax increment financing.** For purposes of [section 1] and 7-15-4282
13 through ~~7-15-4292 and 7-15-4297~~ through 7-15-4299, the following definitions apply unless otherwise provided
14 or indicated by the context:

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

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

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

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

26 (5) "County road improvement and maintenance district" means a tax increment financing county road
27 improvement and maintenance district created pursuant to [section 1].

28 (6) "County road improvement and maintenance infrastructure development project" means a project
29 undertaken within or for a county road improvement and maintenance district that consists of any of the activities
30 authorized by 7-15-4288.

1 ~~(5)(7)~~ (a) ~~"Incremental taxable value"~~ Except as provided in subsection (7)(b), "incremental taxable
 2 value" means the amount, if any, by which the actual taxable value at any time exceeds the base taxable value
 3 of all property within an urban renewal area, industrial district, technology district, or aerospace transportation
 4 and technology district subject to taxation.

5 (b) For the purposes of a county road improvement and maintenance district, the term means the
 6 amount, if any, by which the actual taxable value of all land and residential improvements within the district at any
 7 time exceeds the base taxable value of all land and residential improvements, if any, within the district.

8 ~~(6)(8)~~ "Industrial district" means a tax increment financing industrial district created pursuant to 7-15-4297
 9 through 7-15-4299.

10 ~~(7)(9)~~ "Industrial infrastructure development project" means a project undertaken within or for an
 11 industrial district that consists of any of the activities authorized by 7-15-4288.

12 ~~(8)(10)~~ "Municipality", ~~for the purpose of an industrial district created pursuant to 7-15-4297 through~~
 13 ~~7-15-4299 and operating pursuant to 7-15-4282 through 7-15-4293 and part 43 of this chapter,~~ means any
 14 incorporated city or town, county, or city-county consolidated local government for the purposes of:

15 (a) a county road improvement and maintenance district operating pursuant to 7-15-4282 through
 16 7-15-4294 and Title 7, chapter 15, part 43;

17 (b) an industrial district operating pursuant to 7-15-4282 through 7-15-4294 and Title 7, chapter 15, part
 18 43;

19 (c) a technology district operating pursuant to 7-15-4282 through 7-15-4294 and Title 7, chapter 15, part
 20 43; or

21 (d) an aerospace transportation and technology district operating pursuant to 7-15-4282 through
 22 7-15-4294 and Title 7, chapter 15, part 43.

23 ~~(9)(11)~~ "Tax increment" means the collections realized from extending the tax levies, expressed in mills,
 24 of all taxing bodies in which the urban renewal area, county road improvement and maintenance district, industrial
 25 district, technology district, aerospace transportation and technology district, or a part of an area or district is
 26 located against the incremental taxable value.

27 ~~(10)(12)~~ "Tax increment provision" means a provision for the segregation and application of tax
 28 increments as authorized by [section 1] and 7-15-4282 through 7-15-4292 7-15-4299.

29 ~~(11)(13)~~ "Taxes" means all taxes levied by a taxing body against property on an ad valorem basis.

30 ~~(12)(14)~~ "Taxing body" means any incorporated city; or town, county, consolidated city-county

1 government, school district, or other political subdivision or governmental unit of the state, including the state, that
 2 levies taxes against property within the urban renewal area, county road improvement and maintenance district,
 3 industrial district, technology district, or ~~an~~ aerospace transportation and technology district.

4 ~~(13)~~(15) "Technology district" means a tax increment financing district created pursuant to 7-15-4295.

5 ~~(14)~~(16) "Technology infrastructure development project" means a project undertaken within or for a
 6 technology district that consists of any of the activities authorized by 7-15-4288."

7

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

9 **"7-15-4284. Filing of tax increment provisions plan or district ordinance.** (1) The clerk of the
 10 municipality shall file a certified copy of each urban renewal plan, county road improvement and maintenance
 11 district ordinance, industrial district ordinance, ~~or~~ technology district ordinance, or aerospace transportation and
 12 technology district ordinance or an amendment to any of them containing a tax increment provision with the
 13 department of revenue.

14 (2) A certified copy of each plan, ordinance, or amendment must also be filed with the clerk or other
 15 appropriate officer of each of the affected taxing bodies."

16

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

18 **"7-15-4286. Procedure to determine and disburse tax increment.** (1) Mill rates of taxing bodies for
 19 taxes levied after the effective date of the tax increment provision must be calculated on the basis of the sum of
 20 the taxable value, as shown by the last equalized assessment roll, of all taxable property located outside the
 21 urban renewal area, county road improvement and maintenance district, industrial district, ~~or~~ technology district,
 22 or aerospace transportation and technology district and the base taxable value of all taxable property located
 23 within the area or district. The mill rate determined must be levied against the sum of the actual taxable value of
 24 all taxable property located within as well as outside the area or district.

25 (2) (a) The tax increment, if any, received in each year from the levy of the combined mill rates of all the
 26 affected taxing bodies against the incremental taxable value within the area or district, except for the university
 27 system mills levied and assessed against property, must be paid into a special fund held by the treasurer of the
 28 municipality and used as provided in [section 1] and 7-15-4282 through 7-15-4292 7-15-4299.

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

1

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

3 **"7-15-4288. Costs that may be paid by tax increment financing.** The tax increments may be used

4 by the municipality to pay the following costs of or incurred in connection with an urban renewal project, county

5 road improvement and maintenance infrastructure development project, industrial infrastructure development

6 project, technology infrastructure development project, or aerospace transportation and technology infrastructure

7 development project:

8 (1) land acquisition;

9 (2) demolition and removal of structures;

10 (3) relocation of occupants;

11 (4) the acquisition, construction, and improvement of infrastructure, county road infrastructure, industrial

12 infrastructure, technology infrastructure, or aerospace transportation and technology infrastructure that includes

13 streets, lights, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and offstreet parking

14 facilities, sewers, sewer lines, sewage treatment facilities, storm sewers, waterlines, waterways, water treatment

15 facilities, natural gas lines, electrical lines, telecommunications lines, rail lines, rail spurs, bridges, spaceports for

16 reusable launch vehicles with associated runways and launch, recovery, fuel manufacturing, and cargo holding

17 facilities, publicly owned buildings, and any public improvements authorized by Title 7, chapter 12, parts 41

18 through 45 ~~of chapter 12;~~ Title 7, chapter 13, parts 42 and 43 ~~of chapter 13;~~ and Title 7, chapter 14, part 47, ~~of~~

19 ~~chapter 14~~ and items of personal property to be used in connection with improvements for which the foregoing

20 costs may be incurred;

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

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

23 (7) administrative costs associated with the management of the urban renewal area, county road

24 improvement and maintenance district, industrial district, technology district, or aerospace transportation and

25 technology district;

26 (8) assemblage of land for development or redevelopment by private enterprise or public agencies,

27 including sale, initial leasing, or retention by the municipality itself at its fair market value;

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

29 an urban renewal project in an urban renewal area, the infrastructure needs of a county road improvement and

30 maintenance infrastructure development project in the county road improvement and maintenance district, the

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

4 (10) the connection of the urban renewal area, county road improvement and maintenance district,
 5 industrial district, technology district, or aerospace transportation and technology district to existing infrastructure
 6 outside the district;

7 (11) the provision of direct assistance, through industrial infrastructure development projects, technology
 8 infrastructure development projects, or aerospace transportation and technology infrastructure development
 9 projects, to secondary, value-adding industries to assist in meeting their infrastructure and land needs within the
 10 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 revenue for payment of bonds.** (1) (a) The tax
 16 increment derived from an urban renewal area may be pledged for the payment of revenue bonds issued for
 17 urban renewal projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to
 18 pay urban renewal costs described in 7-15-4288 and 7-15-4289.

19 (b) The tax increment derived from a county road improvement and maintenance district may be pledged
 20 for the payment of revenue bonds issued for county road improvement and maintenance infrastructure
 21 development projects or of general obligation bonds, revenue bonds, or special assessment bonds to pay county
 22 road improvement and maintenance district costs described in 7-15-4288 and 7-15-
 23 4289.

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

27 ~~(c)~~(d) The tax increment derived from a technology district may be pledged for the payment of revenue
 28 bonds issued for technology infrastructure development projects or of general obligation bonds, revenue bonds,
 29 or special assessment bonds issued to pay technology district costs described in 7-15-4288 and 7-15-4289.

30 (e) The tax increment derived from an aerospace transportation and technology district may be pledged

1 for the payment of revenue bonds issued for aerospace transportation and technology infrastructure development
 2 projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay aerospace
 3 transportation and technology district costs described in 7-15-4288 and 7-15-4289.

4 (2) A municipality issuing bonds pursuant to subsection (1) may, by resolution of its governing body,
 5 enter into a covenant for the security of the bondholders, detailing the calculation and adjustment of the tax
 6 increment and the taxable value on which it is based and, after a public hearing, pledging or appropriating other
 7 revenue of the municipality, except property taxes prohibited by subsection (3), to the payment of the bonds if
 8 collections of the tax increment are insufficient.

9 (3) Property taxes, except the tax increment derived from property within the area or district and tax
 10 collections used to pay for services provided to the municipality by a project, may not be applied to the payment
 11 of bonds issued pursuant to 7-15-4301 for which a tax increment has been pledged."
 12

13 **Section 8.** Section 7-15-4292, MCA, is amended to read:

14 **"7-15-4292. Termination of tax increment financing -- exception.** (1) The tax increment provision
 15 terminates upon the later of:

16 (a) the 15th year following its adoption; or

17 (b) the payment or provision for payment in full or discharge of all bonds for which the tax increment has
 18 been pledged and the interest on the bonds.

19 (2) (a) Except as provided in subsection (2)(b), any amounts remaining in the special fund or any reserve
 20 fund after termination of the tax increment provision must be distributed among the various taxing bodies in
 21 proportion to their property tax revenue from the area or district.

22 (b) Upon termination of the tax increment provision, a municipality may retain and use in accordance with
 23 the provisions of the urban renewal plan:

24 (i) funds remaining in the special fund or a reserve fund related to a binding loan commitment,
 25 construction contract, or development agreement for an approved urban renewal project that a municipality
 26 entered into before the termination of a tax increment provision;

27 (ii) loan repayments received after the date of termination of the tax increment provision from loans made
 28 pursuant to a binding loan commitment; or

29 (iii) funds from loans previously made pursuant to a loan program established under an urban renewal
 30 plan.

1 (3) After termination of the tax increment provision, all taxes must be levied upon the actual taxable value
 2 of the taxable property in the urban renewal area, the county road improvement and maintenance district, the
 3 industrial district, ~~or~~ the technology district, or the aerospace transportation and technology district and must be
 4 paid ~~into the funds to each~~ of the ~~respective~~ taxing bodies as provided by law.

5 (4) Bonds secured in whole or in part by a tax increment provision may not be issued after the 15th
 6 anniversary of tax increment provisions. However, if bonds secured by a tax increment provision are outstanding
 7 on the applicable anniversary, additional bonds secured by the tax increment provision may be issued if the final
 8 maturity date of the bonds is not later than the final maturity date of any bonds then outstanding and secured by
 9 the tax increment provision."

10

11 **Section 9.** Section 7-15-4293, MCA, is amended to read:

12 **"7-15-4293. Adjustment of base taxable value following change of law.** (1) If the base taxable value
 13 of an urban renewal area, a county road improvement and maintenance district, an industrial district, ~~or~~ a
 14 technology district, or an aerospace transportation and technology district is affected after its original
 15 determination by a statutory, administrative, or judicial change in the method of appraising property, the tax rate
 16 applied to it, the tax exemption status of property, or the taxable valuation of property if the change in taxable
 17 valuation is based on conditions existing at the time the base year was established, the governing body of the
 18 municipality may request the department of revenue to estimate the base taxable value so that the tax increment
 19 resulting from the increased incremental value is sufficient to pay all principal and interest on the bonds as those
 20 payments become due.

21 (2) If a tax increment financing district created after January 1, 2002, has not issued bonds, the
 22 governing body of a municipality may request the department of revenue to adjust the base taxable value to
 23 account for a loss of taxable revenue resulting from the state granting property in the area or district tax-exempt
 24 status within the first year of creation of the tax increment financing district. The municipality shall give notice of
 25 and hold a public hearing on the proposed change."

26

27 **Section 10.** Section 7-15-4294, MCA, is amended to read:

28 **"7-15-4294. Assessment agreements.** (1) A municipality may enter into a written agreement with any
 29 private person:

30 (a) establishing a minimum market value of land, existing improvements, or improvements or equipment

1 to be constructed or acquired; and

2 (b) requiring the individual to pay an annual tax deficiency fee whenever the property that is the subject
3 of the agreement is valued by the department of revenue for property tax purposes at a market value that is less
4 than the value established by the agreement. The amount of the deficiency fee may not exceed the difference
5 between the property taxes that would have been imposed on the property based on the minimum value of the
6 property expressed in the agreement and the property taxes that are imposed on the property based on the
7 market value established by the department of revenue.

8 (2) The property that is the subject of the agreement must be located or installed in an urban renewal
9 area, a county road improvement and maintenance district, an industrial district, a technology district, an
10 aerospace transportation and technology district, or any other area or district that is subject to a tax increment
11 financing provision.

12 (3) The minimum value established by the agreement may be fixed or may increase or decrease in later
13 years from the initial minimum value as provided in the agreement.

14 (4) The agreement creates a lien on the property pursuant to 71-3-1506 and must be filed and recorded
15 in the office of the county clerk and recorder in each county in which the property or any part of the property is
16 located. Recording an agreement constitutes notice of the agreement to anyone who acquires any interest in the
17 property that is the subject of the agreement, and the agreement is binding upon the person acquiring the interest.

18 (5) An agreement made pursuant to subsection (1) may be modified or terminated by mutual consent
19 of the current parties to the agreement. Modification or termination of an agreement must be approved by the
20 governing body of the municipality. A document modifying or terminating an agreement must be filed in the office
21 of the county clerk and recorder in each county in which the property or any part of the property is located.

22 (6) An agreement entered into pursuant to subsection (1) or modified pursuant to subsection (5)
23 terminates on the earliest of:

24 (a) the date on which conditions in the agreement for termination are satisfied;

25 (b) the termination date specified in the agreement; or

26 (c) the date when the tax increment is no longer paid to the municipality under 7-15-4292.

27 (7) ~~Nothing in this~~ This section limits does not limit a municipality's authority to enter into contracts other
28 than tax deficiency agreements as described in this section."
29

30 **Section 11.** Section 7-15-4295, MCA, is amended to read:

1 **"7-15-4295. Technology districts.** (1) A local governing body, by ordinance and following a public
 2 hearing, may authorize the creation of a technology district for technology infrastructure development projects.
 3 The purpose of a technology district is for the development of infrastructure to encourage the location and
 4 retention of technology infrastructure development projects in the state. The tenants of a technology district must
 5 be businesses or organizations engaged in technology-based operations within Montana that through the
 6 employment of knowledge or labor add value to a product, process, or export service that results in the creation
 7 of new wealth and for which at least 50% of the sales of the business or organization occur outside of Montana
 8 or the business or organization is a manufacturing company with at least 50% of its sales to other Montana
 9 companies that have 50% of their sales occurring outside of Montana.

10 (2) A technology district:

11 (a) must consist of a continuous area with an accurately described boundary that is large enough to host
 12 a diversified tenant base of multiple independent tenants;

13 (b) must be zoned for use in accordance with the area growth policy, as defined in 76-1-103;

14 (c) may not comprise any property included within an existing urban renewal area, district or county road
 15 improvement and maintenance district, industrial ~~infrastructure development~~ district, or aerospace transportation
 16 and technology district created pursuant to this part;

17 (d) must, prior to its creation, be found to be deficient in infrastructure improvements necessary for
 18 technology development;

19 (e) must, prior to its creation, have in place a formally adopted comprehensive development plan that
 20 ensures that the district can host a diversified tenant base of multiple independent tenants; and

21 (f) may not be designed to serve the needs of a single district tenant or group of nonindependent tenants.

22 (3) A technology district may use tax increment financing pursuant to the provisions of 7-15-4282 through
 23 ~~7-15-4293~~ 7-15-4294."

24

25 **Section 12.** Section 7-15-4296, MCA, is amended to read:

26 **"7-15-4296. Aerospace transportation and technology districts.** (1) A local governing body, by
 27 ordinance and following a public hearing, may authorize the creation of an aerospace transportation and
 28 technology district for aerospace transportation and technology infrastructure development projects if the
 29 proposed aerospace transportation and technology district:

30 (a) consists of a continuous area with an accurately described boundary;

- 1 (b) is zoned for use in accordance with the area growth policy document;
- 2 (c) does not include any property included within an existing urban renewal area, district or county road
 3 improvement and maintenance district, industrial infrastructure development district, or technology district created
 4 pursuant to this part;
- 5 (d) is found to be deficient in infrastructure improvements for industrial development; and
- 6 (e) has as its purpose the development of infrastructure to encourage the location and retention of
 7 aerospace transportation and technology infrastructure development projects in the state.
- 8 (2) An aerospace transportation and technology district may use tax increment financing pursuant to the
 9 provisions of 7-15-4282 through ~~7-15-4293~~ 7-15-4294."

- 10
- 11 **Section 13.** Section 7-15-4299, MCA, is amended to read:
- 12 **"7-15-4299. Industrial districts.** (1) A local governing body, by ordinance and following a public hearing,
 13 may authorize the creation of an industrial district for industrial infrastructure development projects if the proposed
 14 industrial district:
- 15 (a) consists of a continuous area with an accurately described boundary;
- 16 (b) is zoned for light or heavy industrial use in accordance with the area growth policy document;
- 17 (c) does not include any property included within an existing urban renewal area, county road
 18 improvement and maintenance district, technology district, or aerospace transportation and technology district
 19 created pursuant to this part;
- 20 (d) is found to be deficient in infrastructure improvements for industrial development; and
- 21 (e) has as its purpose the development of infrastructure to encourage the growth and retention of
 22 secondary, value-adding industries.
- 23 (2) An industrial district may use tax increment financing pursuant to the provisions of 7-15-4282 through
 24 ~~7-15-4293~~ 7-15-4294."

- 25
- 26 **Section 14.** Section 7-15-4301, MCA, is amended to read:
- 27 **"7-15-4301. Authorization to issue urban renewal bonds, county road improvement and**
 28 **maintenance infrastructure development bonds, industrial infrastructure development bonds, technology**
 29 **infrastructure development bonds, aerospace transportation and technology infrastructure development**
 30 **bonds, technology infrastructure development bonds, and refunding bonds.** (1) A municipality may:

1 (a) issue bonds from time to time, in its discretion, to finance the undertaking of any urban renewal
 2 project, county road improvement and maintenance infrastructure development project, industrial infrastructure
 3 development project, technology infrastructure development project, or aerospace transportation and technology
 4 infrastructure development project, ~~or technology infrastructure development project~~ under Title 7, chapter 15,
 5 part 42, and this part, including, without limiting the generality of projects, the payment of principal and interest
 6 upon any advances for surveys and plans for the projects; and

7 (b) issue refunding bonds for the payment or retirement of bonds previously issued by it.

8 (2) ~~The~~ Except as provided in 7-15-4302, bonds may not pledge the general credit of the municipality
 9 and must be made payable, as to both principal and interest, solely from the income, proceeds, revenue, and
 10 funds of the municipality derived from or held in connection with its undertaking and carrying out of urban renewal
 11 projects, county road improvement and maintenance infrastructure development projects, industrial infrastructure
 12 development projects, technology infrastructure development projects, or aerospace transportation and
 13 technology infrastructure development projects, ~~or technology infrastructure development projects~~ under Title 7,
 14 chapter 15, part 42, and this part, including the tax increment received and pledged by the municipality pursuant
 15 to 7-15-4282 through ~~7-15-4292~~ 7-15-4299, and, if the income, proceeds, revenue, and funds of the municipality
 16 are insufficient for the payment, from other revenue of the municipality pledged to the payment. Payment of the
 17 bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant, or contribution
 18 from the federal government or other source in aid of any urban renewal projects, county road improvement and
 19 maintenance infrastructure development projects, industrial infrastructure development projects, technology
 20 infrastructure development projects, or aerospace transportation and technology infrastructure development
 21 projects, ~~or technology infrastructure development projects~~ of the municipality under Title 7, chapter 15, part 42,
 22 and this part or by a mortgage on all or part of any projects.

23 (3) Bonds issued under this section must be authorized by resolution or ordinance of the local governing
 24 body."

25

26 **Section 15.** Section 7-15-4302, MCA, is amended to read:

27 **"7-15-4302. Authorization to issue general obligation bonds.** (1) For the purpose of 7-15-4267 or
 28 for the purpose of aiding in the planning, undertaking, or carrying out of an urban renewal project, ~~or an~~ county
 29 road improvement and maintenance infrastructure development project, industrial infrastructure development
 30 project, technology infrastructure development project, or aerospace transportation and technology infrastructure

1 project of a municipality, the municipality, in addition to any authority to issue bonds pursuant to 7-15-4301, may
2 issue and sell its general obligation bonds.

3 (2) Any bonds issued pursuant to this section ~~shall~~ must be issued in the manner and within the
4 limitations prescribed by the laws of this state for the issuance and authorization of bonds by ~~such~~ the municipality
5 for public purposes generally.

6 (3) Aiding in the planning, undertaking, or carrying out of an approved urban renewal project, ~~or an~~
7 county road improvement and maintenance infrastructure development project, industrial infrastructure
8 development project, technology infrastructure development project, or aerospace transportation and technology
9 infrastructure project is considered a single purpose for the issuance of general obligation bonds, and the
10 proceeds of the bonds authorized for ~~any such a~~ project may be used to finance the exercise of ~~any and all the~~
11 powers conferred upon the municipality by Title 7, chapter 15, part 42, and this part ~~and part 42 which that~~ are
12 necessary or proper to complete the project in accordance with the approved plan, ~~or~~ county road improvement
13 and maintenance district ordinance, industrial district ordinance, technology district ordinance, or aerospace
14 transportation and technology district ordinance and any modification ~~thereof~~ to the ordinance that is duly adopted
15 by the local governing body."
16

17 **Section 16.** Section 7-15-4304, MCA, is amended to read:

18 **"7-15-4304. Presumption of regularity of bond issuance.** In a suit, action, or proceeding involving the
19 validity or enforceability of; or security for; any bond issued under Title 7, chapter 15, part 42, and this part, a bond
20 reciting in substance that it has been issued by the municipality in connection with an urban renewal project,
21 county road improvement and maintenance infrastructure development project, industrial infrastructure
22 development project, ~~or~~ technology infrastructure development project, or aerospace transportation and
23 technology infrastructure development project is conclusively considered to have been issued for that purpose
24 and the project is conclusively considered to have been planned, located, and carried out in accordance with the
25 provisions of Title 7, chapter 15, part 42, and this part."
26

27 **Section 17.** Section 7-15-4324, MCA, is amended to read:

28 **"7-15-4324. Special bond provisions when tax increment financing is involved.** (1) Bonds issued
29 under this part for which a tax increment is pledged pursuant to 7-15-4282 through ~~7-15-4292~~ 7-15-4299 must
30 be designed to mature not later than 25 years from their date of issue and must mature in years and amounts

1 so that the principal and interest due on the bonds in each year may not exceed the estimated tax increment,
2 payments in lieu of taxes or other amounts agreed to be paid by the property owners in a district, and other
3 estimated revenue, including proceeds of the bonds available for payment of interest on the bonds, pledged to
4 their payment to be received in that year.

5 (2) The governing body, in the resolution or ordinance authorizing the bonds, shall determine the
6 estimated tax increment, payments in lieu of taxes or other amounts agreed to be paid by the property owners
7 in a an area or district, and other revenue, if any, for each year the bonds are to be outstanding. In calculating
8 the costs under 7-15-4288 for which the bonds are issued, the municipality may include an amount sufficient to
9 pay interest on the bonds prior to receipt of tax increments pledged and sufficient for the payment of the bonds
10 and to fund any reserve fund in respect of the bonds."

11
12 NEW SECTION. **Section 18. Codification instruction.** [Section 1] is intended to be codified as an
13 integral part of Title 7, chapter 15, part 42, and the provisions of Title 7, chapter 15, part 42, apply to [section 1].

14
15 NEW SECTION. **Section 19. Effective date.** [This act] is effective on passage and approval.

16 - END -