

**PLEASE JOIN THE FOLLOWING ORGANIZATIONS
IN SUPPORT OF HOUSE BILL 631**

- Montana Bankers Association
- Montana Association of Counties
- Montana League of Cities and Towns
- House Taxation Committee (19-1 in favor)
- Montana Preservation Alliance
- Montana Association of Architects
- Montana Economic Developers Association
- House Appropriations Committee (18-2 in favor)

and numerous Montana business people, developers, bankers, preservationists, architects, engineers, planners, construction workers, farmers, ranchers and residents.

Why do all of these organizations support HB 631?

The current Montana historic preservation tax credit is the lowest of all states offering historic preservation tax credits, at only 5% of qualified expenses. According to the National Trust for Historic Preservation, in order to stimulate historic preservation, "the percentage rate of the credit should be fixed at a level high enough to constitute a meaningful incentive, typically in the range of 20 percent to 30 percent of qualified rehabilitation expenditures. Rates that are significantly lower don't provide enough incentive to make a difference in a developer's decision to undertake a historic preservation project." This lack of incentive to undertake historic preservation projects in Montana is reflected in the fact that on average only three historic preservation projects are completed in Montana per year. This is especially unfortunate since in Montana there are over 1,018 properties that have been listed individually in the National Register of Historic Places, and over 100 listed historic districts which contain many thousands more historic buildings, many of which could utilize the tax credit for redevelopment.

House Bill 631 will rectify this situation and have an important positive impact on communities across Montana. House Bill 631 makes two important changes to the current Montana historic preservation tax credit. First, it increases the credit from 5% to 20% of the qualified rehabilitation expenses. Second, it allows the credit to be transferred, which will allow developers of historic properties to receive much more equity per tax credit dollar than under the current law.

During the current tough economic times, banks are becoming more and more conservative regarding the loans they will make. This has made it even more difficult to redevelop historic properties. Increasing the Montana historic preservation tax credit will go a long way toward stimulating reinvestment in historic properties, many of which are located in the central business districts of Montana's cities and towns. Even more importantly, as a tax credit rather than an appropriation, House Bill 631 will pay for itself by stimulating the redevelopment of historic properties, which will significantly increase income and business taxes, as well as property taxes.

Thank you for your support!