

SENATE BILL NO. 349

INTRODUCED BY R. WEBB

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A CITY OR COUNTY PROPERTY TAX EXEMPTION FOR CERTAIN LAND ON OR ADJACENT TO INDIAN RESERVATIONS; PROVIDING FOR EMPOWERMENT ZONES ON OR ADJACENT TO INDIAN RESERVATIONS BASED ON LOCAL GOVERNMENT DETERMINATIONS; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTION 7-21-3703, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Empowerment zones on or adjacent to reservations -- benefits. (1) (a)

A governing body authorized under 7-21-3703 to create an empowerment zone may, for deeded land within the exterior boundaries of a reservation, designate as an empowerment zone entitled to the benefits listed under subsection (3) any deeded or fee land on which the property owner or an agent of the property owner has:

- (i) provided net new jobs by expanding or creating new uses of the land or new industry, as determined by the governing body;
- (ii) applied for empowerment zone status and requested a letter of intent from the governing body regarding creation of an empowerment zone; and
- (iii) received a letter of intent from the governing body of its intent to create an empowerment zone.

(b) The local government shall determine within 120 days of a final application whether a property owner has created net new jobs by expanding or creating new uses of the land or new industry.

(2) A governing body authorized under 7-21-3703 to create an empowerment zone may designate as an empowerment zone entitled to the benefits listed under subsection (3) any contiguous land adjacent to the exterior boundaries of an Indian reservation if the governing body has responsibility over property taxes on that property.

(3) Property classified as an empowerment zone under this section must be contiguous and is exempt from the municipal or county property tax for 5 years from the date on which the property was classified as an empowerment zone.

(4) An empowerment zone created under this section may additionally receive the tax credits under

1 7-21-3710 if qualified under this part.

2 (5) The governing body creating an empowerment zone under this section shall adopt a resolution of
3 intention to create an empowerment zone and follow the procedure outlined in 7-21-3703 for public notice and
4 findings required prior to adoption of a resolution to create an empowerment zone under this section. Following
5 adoption of the resolution, the governing body shall notify the department of revenue of the exemption.

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7 **Section 2.** Section 7-21-3703, MCA, is amended to read:

8 **"7-21-3703. Empowerment zones -- creation.** (1) The governing body of a county, a consolidated local
9 government, or a municipality or jointly the governing bodies of counties, consolidated local governments, and
10 municipalities may create empowerment zones. The empowerment zone may consist of all or a part of a county,
11 consolidated local government, or municipality. If a proposed empowerment zone consists of an area partly within
12 and partly outside of the limits of a municipality, the zone must be established by both the county and municipal
13 governing bodies acting jointly, meeting together but voting separately.

14 (2) A governing body may adopt a resolution of intention to create an empowerment zone. The resolution
15 must identify the limits of the zone and make findings that the proposed zone meets the qualifying criteria set forth
16 in 7-21-3704. The governing body shall hold a public hearing on the question of whether to establish an
17 empowerment zone. The hearing may be set no sooner than 3 weeks or later than 90 days from the date of the
18 adoption of the resolution. Notice of the hearing must be published twice, 1 week apart not later than 1 week prior
19 to the date set for the hearing. The notice must provide the subject, date, time, and place of the hearing and must
20 identify the proposed empowerment zone boundaries.

21 (3) The hearing may be adjourned from time to time to seek additional information or to hear additional
22 proponents or opponents. After the hearing, the governing body may, by resolution, create an empowerment
23 zone.

24 (4) ~~(a) Each~~ Except as provided in subsection (4)(b), each governing body may create a maximum of
25 one empowerment zone, either wholly or partially within its limits, in any 7-year period.

26 (b) There is no limit on the number of empowerment zones that may be created in any specific period
27 under [section 1]."

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29 **NEW SECTION. Section 3. Notification to tribal governments.** The secretary of state shall send a
30 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell

1 Chippewa tribe.

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3 NEW SECTION. **Section 4. Codification instruction.** [Section 1] is intended to be codified as an
4 integral part of Title 7, chapter 21, part 37, and the provisions of Title 7, chapter 21, part 37, apply to [section 1].

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6 NEW SECTION. **Section 5. Applicability.** [This act] applies to tax years beginning after December 31,
7 2017.

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