

HOUSE BILL NO. 396

INTRODUCED BY B. GRUBBS

1
2
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO TAX INCREMENT FINANCING;
5 REQUIRING MUNICIPALITIES TO CONSULT WITH COUNTIES AND SCHOOL DISTRICTS CONSULTATION
6 WITH AFFECTED LOCAL TAXING JURISDICTIONS WHEN ADOPTING TAX INCREMENT FINANCING
7 PROVISIONS AS PART OF AN URBAN RENEWAL PLAN OR A TARGETED ECONOMIC DEVELOPMENT
8 DISTRICT COMPREHENSIVE PLAN AND WHEN MODIFYING AN URBAN RENEWAL PLAN RELATED TO
9 THE USE OF GENERAL OBLIGATION BONDS; AMENDING SECTIONS 7-15-4221 AND 7-15-4282, MCA; AND
10 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
14 **Section 1.** Section 7-15-4221, MCA, is amended to read:

15 **"7-15-4221. Modification of urban renewal project plan.** (1) An urban renewal project plan may be
16 modified at any time by the local governing body. If modified after the lease or sale by the municipality of real
17 property in the urban renewal project area, the modification is subject to any rights at law or in equity that a lessee
18 or purchaser or the lessee's or purchaser's successor or successors in interest may be entitled to assert.

19 (2) An urban renewal plan may be modified by ordinance.

20 (3) ~~Any (a) Before modifying an~~ urban renewal plan ~~proposed for modification~~ to provide tax increment
21 financing for the district or to use bonds as provided in 7-15-4218, the municipality must SHALL provide notice to
22 the county and the school district in which the urban renewal district is located and provide the county and the
23 school district with the opportunity to meet and consult IN A PUBLIC MEETING WITH THE OPPORTUNITY FOR PUBLIC
24 COMMENT regarding the effect on the county or school district.

25 (b) The tax increment financing provision must be proposed with consideration for the county and school
26 districts that include municipal territory.

27 (4) All urban renewal plans approved or modified by resolution prior to May 8, 1979, are validated.

28 (5) A plan may be modified by:

29 (a) the procedure set forth in 7-15-4212 through 7-15-4219 with respect to adoption of an urban renewal
30 plan;



1 (b) the procedure set forth in the plan."

2

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

4 **"7-15-4282. Authorization for tax increment financing.** (1) An urban renewal plan as defined in
5 7-15-4206 or a targeted economic development district comprehensive development plan created as provided
6 in 7-15-4279 may contain a provision or be amended to contain a provision for the segregation and application
7 of tax increments as provided in 7-15-4282 through 7-15-4294.

8 (2) (A) Before adopting a tax increment financing provision as part of an urban renewal plan OR A
9 COMPREHENSIVE DEVELOPMENT PLAN, a municipality must SHALL provide notice to the county and the school district
10 OR TARGETED ECONOMIC DEVELOPMENT DISTRICT in which the urban renewal district is located and provide the
11 county and school district with the opportunity to meet and consult IN A PUBLIC MEETING WITH THE OPPORTUNITY FOR
12 PUBLIC COMMENT regarding the proposed tax increment financing provision and its effect on the county or school
13 district.

14 (B) BEFORE ADOPTING A TAX INCREMENT FINANCING PROVISION AS PART OF A COMPREHENSIVE DEVELOPMENT
15 PLAN, A COUNTY SHALL PROVIDE NOTICE TO THE SCHOOL DISTRICT IN WHICH THE TARGETED ECONOMIC DEVELOPMENT
16 DISTRICT IS LOCATED AND PROVIDE THE SCHOOL DISTRICT WITH THE OPPORTUNITY TO MEET AND CONSULT IN A PUBLIC
17 MEETING WITH THE OPPORTUNITY FOR PUBLIC COMMENT REGARDING THE PROPOSED TAX INCREMENT FINANCING
18 PROVISION AND ITS EFFECT ON THE SCHOOL DISTRICT.

19 ~~(2)~~(3) The tax increment financing provision must take into account the effect on the county and school
20 districts that include local government territory."

21

22 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

23

- END -