



AN ACT REVISING LAWS RELATED TO TAX INCREMENT FINANCING; REQUIRING CONSULTATION WITH AFFECTED LOCAL TAXING JURISDICTIONS WHEN ADOPTING TAX INCREMENT FINANCING PROVISIONS AS PART OF AN URBAN RENEWAL PLAN OR A TARGETED ECONOMIC DEVELOPMENT DISTRICT COMPREHENSIVE PLAN AND WHEN MODIFYING AN URBAN RENEWAL PLAN RELATED TO THE USE OF GENERAL OBLIGATION BONDS; AMENDING SECTIONS 7-15-4221 AND 7-15-4282, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

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

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

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

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

(3) ~~Any (a) Before modifying an urban renewal plan proposed for modification~~ to provide tax increment financing for the district or to use bonds as provided in 7-15-4218, the municipality shall provide notice to the county and the school district in which the urban renewal district is located and provide the county and the school district with the opportunity to meet and consult in a public meeting with the opportunity for public comment regarding the effect on the county or school district.

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

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

(5) A plan may be modified by:

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

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

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

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

(2) (a) Before adopting a tax increment financing provision as part of an urban renewal plan or a comprehensive development plan, a municipality shall provide notice to the county and the school district or targeted economic development district in which the urban renewal district is located and provide the county and school district with the opportunity to meet and consult in a public meeting with the opportunity for public comment regarding the proposed tax increment financing provision and its effect on the county or school district.

(b) Before adopting a tax increment financing provision as part of a comprehensive development plan, a county shall provide notice to the school district in which the targeted economic development district is located and provide the school district with the opportunity to meet and consult in a public meeting with the opportunity for public comment regarding the proposed tax increment financing provision and its effect on the school district.

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

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

- END -

I hereby certify that the within bill,  
HB 0396, originated in the House.

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2017.

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Chief Clerk of the House

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2017.

HOUSE BILL NO. 396

INTRODUCED BY B. GRUBBS

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