



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING A STUDY OF URBAN RENEWAL DISTRICTS AND TARGETED ECONOMIC DEVELOPMENT DISTRICTS THAT USE TAX INCREMENT FINANCING.

WHEREAS, the 2015-2016 Revenue and Transportation Interim Committee studied tax increment financing; and

WHEREAS, the Legislative Audit Division is undertaking a legislative audit of districts that use tax increment financing and the audit is expected to be completed by the end of 2017; and

WHEREAS, the legislative audit will provide information to inform additional study of tax increment financing.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, to:

(1) review the legislative audit of districts that use tax increment financing with specific attention to findings related to administrative costs, the life of districts that bond and districts that do not bond, and oversight and audits of the districts;

(2) study the percentages of tax increment revenues that are spent on administrative overhead and the variance between communities;

(3) consider developing guidelines for the ratio of public-private investment to be used in districts that use tax increment financing;

(4) consider whether to establish a maximum allowable incremental taxable value in districts that use tax increment financing and a maximum percentage of the tax base of the local government that can be placed into urban renewal districts or targeted economic development districts;

(5) consider whether to revise the definition of "blight" or the allowable reasons for creating of an urban

renewal district;

(6) consider whether a third party should confirm the presence of blight or the need for infrastructure improvements and approve district boundaries;

(7) review local government expenditures on purely public projects that may not increase the tax base, review expenditures for projects that use money to spur private investment, and consider whether to limit expenditures on purely public projects;

(8) consider whether to require remittance of increment not necessary to make bond payments after expiration of the tax increment financing provision;

(9) review impacts of districts that use tax increment financing on other taxing jurisdictions, including the 2011 study on tax increment financing prepared by Montana State University-Billings;

(10) review programs that use tax increment financing for facade improvement programs and historical preservation programs; and

(11) consider the taxation of centrally assessed property within a tax increment financing district.

BE IT FURTHER RESOLVED, that the interim committee seek input from local governments, affected state agencies, and urban renewal district and targeted economic development district personnel.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2018.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 66th Legislature.

- END -

I hereby certify that the within joint resolution,  
HJ 0018, 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 JOINT RESOLUTION NO. 18  
INTRODUCED BY A. HERTZ, D. FERN

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