

HOUSE BILL NO. 367

INTRODUCED BY R. GARCIA

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING AN URBAN RENEWAL DISTRICT THAT APPROVES A TAX INCREMENT FINANCING PROVISION TO CREATE A COMMITTEE TO MAKE RECOMMENDATIONS TO THE MUNICIPALITY ABOUT THE ADMINISTRATION OF THE DISTRICT AND THE TAX INCREMENT FINANCING PROVISION; AMENDING SECTION 7-15-4282, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 7-15-4282, MCA, is amended to read:

"7-15-4282. Authorization for tax increment financing -- committee. (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.

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

(4) (a) Upon adoption of a tax increment financing provision as part of an urban renewal plan pursuant to this section, a municipality shall appoint a committee to make recommendations to the municipality about the administration of the urban renewal district and the tax increment financing provision. The committee shall advise

1 the municipality about all aspects of the administration of an urban renewal district, including who administers
2 the urban renewal district, how tax increment is spent, whether to pledge tax increment to bonds, whether to remit
3 unused tax increment pursuant to 7-15-4291, and any other matter related to tax increment financing.

4 (b) The municipality shall refer all decisions related to the urban renewal district and tax increment
5 financing to the committee before the decision is finalized. The committee shall notify the municipality of its
6 recommendations and the municipality shall hold a public hearing to consider the committee's recommendations
7 and to allow for public comment on the recommendations.

8 (c) (i) The committee must consist of five members who, except as provided in subsection (4)(c)(ii), are
9 residents of the urban renewal district.

10 (ii) One member of the committee must be the owner or representative of a business within the urban
11 renewal district. The business owner or representative is not required to be a resident of the urban renewal
12 district."

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14 NEW SECTION. Section 2. Transition. A municipality that approved a tax increment provision before
15 [the effective date of this act] shall create a committee pursuant to 7-15-4282(4) within 30 days of [the effective
16 date of this act].

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

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