

SAM's Core Purpose is supporting over 1000 visionary leaders united in providing, advocating, and creating education excellence for Montana students!



August 16, 2024

NOTE: The School Administrators of Montana (SAM) have not taken an official position on the creation of tax increment finance districts (TIF) and the potential impact on school funding. The comments below are simply from my experience with TIFs as I served as Superintendent of two districts (Missoula & Bozeman). In addition, in my experience with SAM, I have had the opportunity to speak with other superintendents about TIFs.

It is important to note that TIFs can create opportunities and challenges for school districts.

Opportunities	Challenges
<ul style="list-style-type: none"> ● Economic development, growth in tax base, increase in enrollment ● Improved community infrastructure <ul style="list-style-type: none"> ○ Sidewalks ○ Water/Sewer ○ Streets, curbs, gutters ● Facility upgrades for schools within the TIF ● Remittance payments for tax relief and general fund reserves 	<ul style="list-style-type: none"> ● Transparency with district taxpayers ● Lack of input in creation of the TIF ● Lack of voice, seat at table ● Inconsistency in TIF agreements <ul style="list-style-type: none"> ○ Time length ○ Definition of Blight ○ Purpose & Scope ○ Remittance ○ Collaboration with taxing jurisdictions

With regard to the proposed committee legislation:

PD	Thoughts & Recommendations
PD 29: Definition of "blight"	We would support this proposed legislation. It appears that the legislation will narrow the definition of blight, which will help to clarify how/when a TIF can be created. This clarity could be helpful for both School Districts and tax payers.
PD 30: Addition of advisory committee	<p>We would support this proposed legislation. The use of an advisory committee is best practice and currently occurs in many communities. This would add an option for school districts to provide comment on management and administration of the TIF.</p> <p>One suggestion would be to establish this advisory committee <i>prior to</i> the creation of the TIF. Gaining the thoughts and opinions of the various taxing jurisdictions before a TIF is created could be beneficial for all.</p>
PD 31: Public hearing before a TIF is extended.	We would support this proposed legislation. Requiring a public hearing before a TIF is extended (due to bond repayment) is good practice. This will increase transparency in the process and provide all with a venue to add comments.