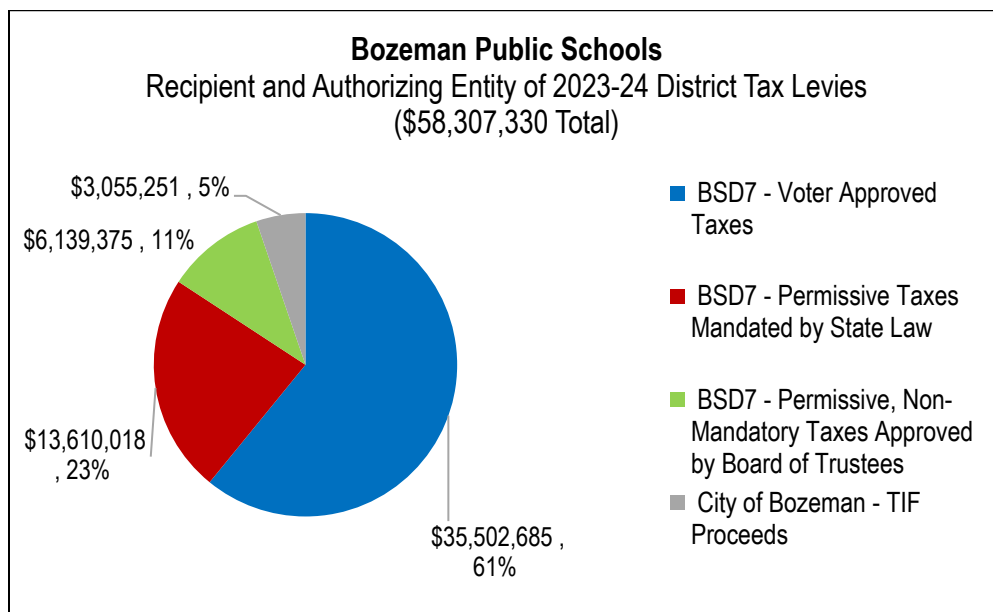
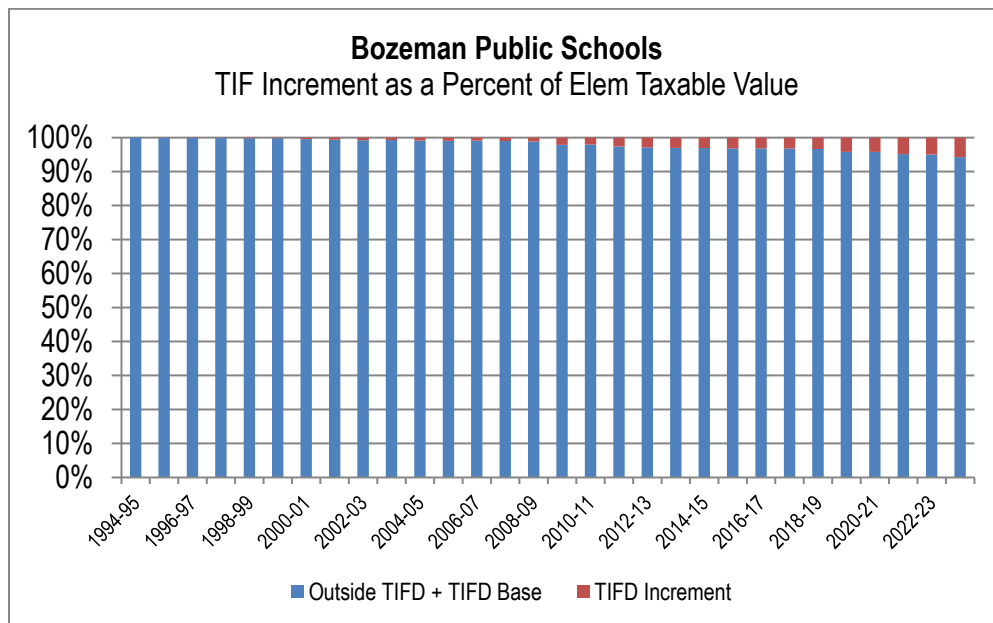




## School District Input on TIF Districts Revenue Interim Committee – March 21, 2024

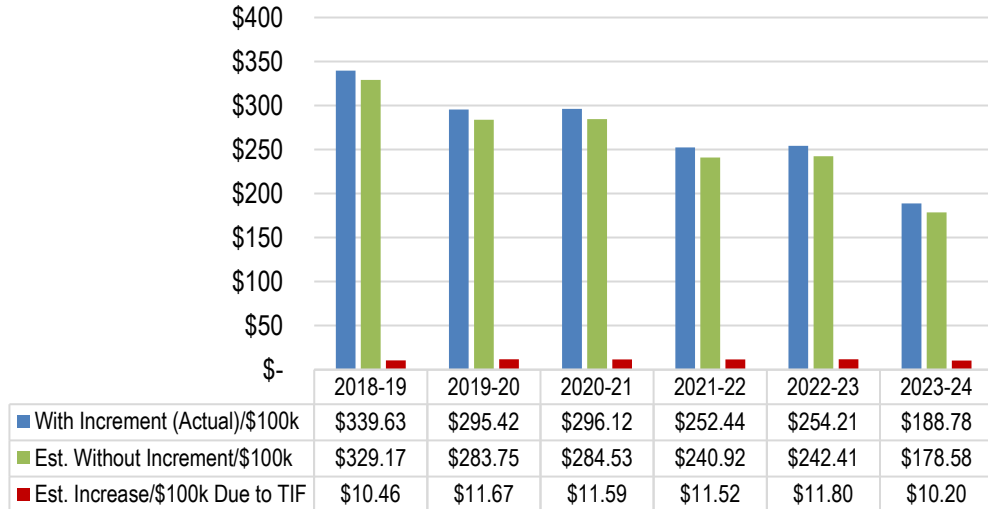
### Summary of challenges/requests for consideration:

- Complication/lack of understanding
- Notification requirements when TIF Districts are created are inconsistently applied, nonbinding
- TIFDs increase school taxes, but not within District or voter control
- Very difficult to determine what levies to exclude from increment calculation (7-15-4286, MCA)
  - General, Building Reserve Funds: stackable levies (example below)
  - Debt Service Fund: refinancing bonds
  - OPI MAEFAIRS system cannot accommodate multiple taxable values
- Limited funds available for remittance deposits, tax reduction (7-15-4291, MCA)

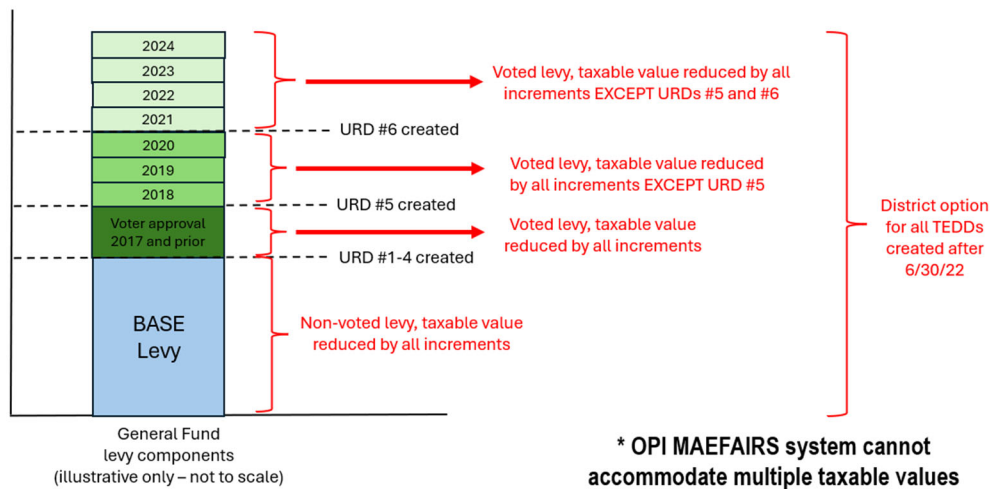


## Bozeman Public Schools

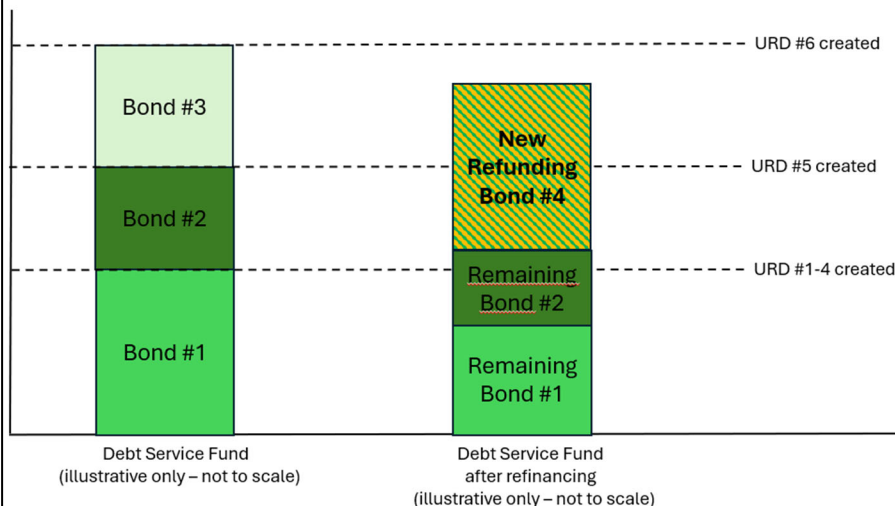
### Impact of Tax Increment Finance Districts on K-12 Property Taxes per \$100,000 Home Value



### Challenges with Implementing 7-15-4286, MCA: Stacked Levies in General & Building Reserve Funds



### Challenges with Implementing 7-15-4286, MCA: Stacked Levies in General & Building Reserve Funds





<b>Meeting Date:</b>	October 12, 2020
<b>Category:</b>	Action Item - Consent - Both Districts
<b>Agenda Item #:</b>	4.4.3
<b>Originated By:</b>	Mike Waterman, Director of Business Services
<b>Others Involved:</b>	Steve Johnson, Deputy Superintendent Operations; Trustees on District Budget Committee (Trustees Neil, Willett, and Fischer)

MOTION	SECOND	AYES	NAYS	ABSTAIN

**Topic:**

Consider Approval of Position Statement Regarding Tax Increment Finance Districts

**Facts:**

1. The City of Bozeman is considering the creation of an urban renewal and Tax Increment Finance District (TIFD) in northeast Bozeman including the Idaho Pole Yard site.
2. Under state law, the City must consult with the other affected governmental jurisdictions before creating a TIFD. In response to that requirement, City officials met with the Bozeman School District Budget Committee on September 14, 2020.

**Fiscal Impact:**

TIFDs increase taxes for the District's taxpayers. The amount of the increase is relative to the size of the increment value.

**Recommendation:**

It is recommended the Board reaffirms the following position statement regarding Tax Increment Financing Districts by the City of Bozeman. The Board of Trustees:

1. Supports the City's desire to improve and develop Bozeman's economy, culture, and value.
2. Appreciates the opportunity to collaborate with and engage in early discussions with the City regarding Tax Increment Finance Districts ("TIFD") and that the City takes into consideration our concerns relative to the needs and expectations of our constituents even though we do not have control over the creation of a TIFD.
3. Welcomes the opportunity to sit on a board specifically addressing local TIFDs.
4. Values the confidence and support that our Elementary and High School District taxpayers consistently display to our district.
5. Strives to be transparent with our taxpayers regarding district operations, costs, and revenue.
6. Prefers to have predictable and known costs facing the district, and the revenue sources to meet our needs.
7. Requests that the City clearly define the scope and develop a reasonable and reliable cost estimate before creating new TIFDs, and limit the TIFD to the duration and amount needed funding those identified costs.
8. Acknowledges that while seemingly levied by the District, the taxes raised in support of TIFDs do not support local K-12 education. Further, those taxes are levied exclusively at the City Commission's discretion, and neither the Board nor School District voters have any control over them.

Specific to Idaho Pole Urban Renewal District (“URD”), the Board of Trustees specifically requests the City:

1. Clearly define the infrastructure improvements needed to complete the URD and structure the URD to collect only the money needed to finance those infrastructure improvements.
2. If bonding is needed to complete the infrastructure, distribute tax proceeds from the increment beyond what is needed for debt service to the taxing jurisdictions proportionate to their levied mills.
3. Consider whether vacant, undeveloped property in the proposed URD truly meets the definition and intent of ‘blighted,’ which means the property ‘constitute(s) a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents.’
4. Create an advisory Board comprised of representatives from all affected taxing jurisdictions to monitor the URD and make recommendations to the City Commission regarding it.

**Other Alternatives:**

1. Do not adopt the position statement
2. Alter the position statement