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SENATE BILL NO. 523

INTRODUCED BY G. HERTZ

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING TAX INCREMENT FINANCING LAWS; REQUIRING THE QUALIFIED ELECTORS TO APPROVE A TAX INCREMENT FINANCING PROVISION; REQUIRING THE QUALIFIED ELECTORS TO APPROVE THE ISSUANCE OF BONDS PAID WITH TAX INCREMENT; REMOVING SCHOOL LEVIES FROM THE CALCULATION OF THE TAX INCREMENT; LIMITING TAX INCREMENT FINANCING PROVISIONS TO 20 YEARS; PROVIDING THAT EXISTING TAX INCREMENT FINANCING PROVISIONS THAT EXCEED 20 YEARS MAY ONLY RETAIN INCREMENT SUFFICIENT TO PAY BONDS; REQUIRING THE LOCAL GOVERNING BODY TO APPROVE ALL EXPENDITURES OF TAX INCREMENT; PROHIBITING THE ADOPTION OF A TAX INCREMENT FINANCING PROVISION IF THE INCREMENTAL TAXABLE VALUE OF ALL URBAN RENEWAL AREAS THAT HAVE ADOPTED TAX INCREMENT FINANCING PROVISIONS EXCEEDS 7% OF THE TOTAL TAXABLE VALUE OF THE TAXING JURISDICTION; LIMITING THE EXPENDITURE OF TAX INCREMENT FOR ADMINISTRATIVE COSTS; PROHIBITING THE USE OF TAX INCREMENT TO PURCHASE LAND; ALLOWING THE USE OF TAX INCREMENT FOR ROAD CONSTRUCTION; REVISING DEFINITIONS; AMENDING SECTIONS 7-15-4206, 7-15-4210, 7-15-4211, 7-15-4215, 7-15-4221, 7-15-4232, 7-15-4233, 7-15-4258, 7-15-4259, 7-15-4282, 7-15-4283, 7-15-4286, 7-15-4288, 7-15-4289, 7-15-4290, 7-15-4291, 7-15-4292, 7-15-4301, 7-15-4302, 7-15-4324, 17-6-316, 70-30-102, AND 71-3-1506, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

**Section 1.** Section 7-15-4206, MCA, is amended to read:

**"7-15-4206. Definitions.** The following terms, wherever used or referred to in part 43 or this part, have the following meanings unless a different meaning is clearly indicated by the context:

- (1) "Agency" or "urban renewal agency" means a public agency created by 7-15-4232.
- (2) "Blighted area" means an area that ~~is conducive to ill health, transmission of disease, infant~~

1 renewal project. The plan:

2 (a) must conform to the growth policy if one has been adopted pursuant to Title 76, chapter 1; and

3 (b) must be sufficiently complete to indicate, on a yearly basis or otherwise:

4 (i) any land acquisition, demolition, and removal of structures; redevelopment; improvements; and  
5 rehabilitation that is proposed to be carried out in the urban renewal area;

6 (ii) zoning and planning changes, if any, including changes to the growth policy if one has been  
7 adopted pursuant to Title 76, chapter 1;

8 (iii) land uses, maximum densities, building requirements; and

9 (iv) the plan's relationship to definite local objectives respecting appropriate land uses, improved  
10 traffic, public transportation, public utilities, recreational and community facilities, and other public  
11 improvements.

12 (21) (a) "Urban renewal project" may include undertakings or activities of a municipality in an urban  
13 renewal area for the elimination ~~and for the prevention of the development or spread of~~ blight and may involve  
14 redevelopment in an urban renewal area, rehabilitation ~~or conservation~~ in an urban renewal area, or any  
15 combination or part of redevelopment, ~~or rehabilitation, or conservation~~ in accordance with an urban renewal  
16 plan.

17 (b) An urban renewal project may not include using property that was condemned pursuant to Title  
18 70, chapter 30, for anything other than a public use."

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20 **Section 2.** Section 7-15-4210, MCA, is amended to read:

21 **"7-15-4210. Resolution of necessity required to utilize provisions of part.** A municipality may not  
22 exercise any of the powers authorized by part 43 and this part until after its local governing body has adopted a  
23 resolution finding that:

24 (1) one or more blighted areas exist in the municipality ~~by finding that at least three of the factors~~  
25 listed in 7-15-4206(2) apply to the area or a part of the area by finding that the definition of blighted area  
26 provided for in 7-15-4206 applies to the area; and

27 (2) the rehabilitation, redevelopment, or both of an area or areas are necessary in the interest of  
28 the public health, safety, ~~morals~~, or welfare of the residents of the municipality."