HOUSE BILL NO. 19

INTRODUCED BY L. BREWSTER

BY REQUEST OF THE REVENUE INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: “AN ACT REVISING TAX INCREMENT FINANCING LAWS TO REQUIRE A PUBLIC HEARING BEFORE PLEDGING TAX INCREMENT TO THE PAYMENT OF BONDS THAT WILL EXTEND THE TERMINATION OF A DISTRICT THAT USES TAX INCREMENT FINANCING; AMENDING SECTION 7-15-4289, MCA; AND PROVIDING AN APPLICABILITY DATE.”

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

Section 1. Section 7-15-4289, MCA, is amended to read:

"**7-15-4289. Use of tax increments for bond payments -- public hearing requirement.** (1) The tax increment may be pledged to the payment of the principal of premiums, if any, and interest on bonds that the local government may issue for the purpose of providing funds to pay those costs.

(2) Prior to pledging tax increment to the payment of bonds that will extend the termination of the tax increment financing provision beyond the 15th year as provided in 7-15-4292, the legislative body of the local government that approved adoption of the tax increment provision shall hold a public hearing on whether fulfillment of the urban renewal plan or targeted economic development district comprehensive development plan requires pledging tax increment to the payment of bonds. The local government shall provide notice of the public hearing to the county and school district in which the urban renewal area or targeted economic development district is located."

NEW SECTION. **Section 2. Applicability.** [This act] applies to a pledge of tax increment to the payment of bonds on or after [the effective date of this act].

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