SENATE BILL NO. 3

INTRODUCED BY J. TREBAS

BY REQUEST OF THE REVENUE INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: “AN ACT REQUIRING A DISTRICT THAT USES TAX INCREMENT FINANCING TO CREATE AN ADVISORY COMMITTEE; AND AMENDING SECTION 7-15-4282, MCA.”

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 -- advisory 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 tax increment provision as provided in 7-15-4282 through 7-15-4294. The local governing body shall approve the adoption of a tax increment provision included in an urban renewal plan. The legislative body of a local government shall approve the adoption of a tax increment provision included in a targeted economic development district comprehensive development plan.

(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 in which the urban renewal district or targeted economic development 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) Except as provided in subsection (4)(b), the legislative body of a local government that adopts a tax increment financing provision shall appoint an advisory committee to advise the local government about the administration of the urban renewal area or targeted economic development district. The committee must include at least one representative from each incorporated city or town, county, or school district with boundaries that overlap with the urban renewal area or targeted economic development district. The committee may include representatives of other taxing bodies with boundaries that overlap with the urban renewal area or targeted economic development district.

(b) An urban renewal area administered by an urban renewal agency created under 7-15-4232(2) is not required to appoint an advisory committee as provided in subsection (4)(a)."

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