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~~ SECTIONS 7-15-4234 AND 7-15-4282, MCA."

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

SECTION 1. SECTION 7-15-4234, MCA, IS AMENDED TO READ:

"**7-15-4234. Urban renewal agency to be administered by appointed board of commissioners.** (1) If the urban renewal agency is authorized to transact business and exercise powers under this part, the mayor, by and with the advice and consent of the local governing body, shall appoint a board of commissioners of the urban renewal agency consisting of no fewer than five commissioners, including one representative from the county or consolidated city-county government and one representative from a school district with boundaries that overlap with the urban renewal area.

(2) The initial membership ~~shall~~ must consist, at a minimum, of one commissioner appointed for 1 year, one for 2 years, one for 3 years, and two for 4 years. Each subsequent appointment must be for 4 years. A certificate of the appointment or reappointment of a commissioner must be filed with the clerk of the municipality, and the certificate is conclusive evidence of the proper appointment of the commissioner.

(3) Each commissioner shall hold office until a successor has been appointed and has qualified.

(4) A commissioner may not receive compensation for services but is entitled to the necessary expenses, including traveling expenses, incurred in the discharge of duties.

(5) Any persons may be appointed as commissioners if they reside within the municipality.

(6) A commissioner may be removed for inefficiency, neglect of duty, or misconduct in office."

Section 2. 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)."

NEW SECTION. **SECTION 3. TRANSITION.** IF THE URBAN RENEWAL AGENCY PROVIDED FOR IN 7-15-4234 IS COMPOSED OF FIVE COMMISSIONERS ON [THE EFFECTIVE DATE OF THIS ACT], IN THE EVENT OF A VACANCY OR ON THE NEXT APPOINTMENT THE MAYOR, BY AND WITH THE ADVICE AND CONSENT OF THE LOCAL GOVERNING BODY, SHALL APPOINT COMMISSIONERS CONSISTING OF ONE REPRESENTATIVE FROM THE COUNTY OR CONSOLIDATED CITY-COUNTY FOLLOWED BY ONE REPRESENTATIVE FROM A SCHOOL DISTRICT WITH BOUNDARIES THAT OVERLAP WITH THE URBAN RENEWAL AREA.

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