

SENATE BILL 429

Introduced by Jacobson, et al.

2/18	Introduced
2/18	First Reading
2/18	Referred to Taxation
2/18	Fiscal Note Requested
2/18	Fiscal Note Requested [Sic.]
2/23	Fiscal Note Printed
2/23	Fiscal Note Received
3/13	Hearing
3/13	Tabled in Committee

1 *Senate* BILL NO. *429*
2 INTRODUCED BY *Frederick J. ...*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE
5 TERMINATION OF TAX INCREMENT FINANCING; ALLOWING THE
6 ISSUANCE OF ADDITIONAL TAX INCREMENT BONDS UNDER CERTAIN
7 CONDITIONS; AMENDING SECTION 7-15-4292, MCA; AND PROVIDING
8 AN IMMEDIATE EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 7-15-4292, MCA, is amended to read:

12 "7-15-4292. Termination of tax increment financing --
13 exception. (1) The tax increment provision shall terminate
14 upon the later of:

15 (a) the ~~10th~~ 15th year following its adoption or, if
16 the tax increment provision was adopted prior to January 1,
17 1980, upon the ~~12th~~ 17th year following adoption; or

18 (b) the payment or provision for payment in full or
19 discharge of all bonds for which the tax increment has been
20 pledged and the interest thereon.

21 (2) Any amounts remaining in the special fund or any
22 reserve fund after termination of the tax increment
23 provision shall be distributed among the various taxing
24 bodies in proportion to their property tax revenues from the
25 district.

1 (3) After termination of the tax increment provision,
2 all taxes shall be levied upon the actual taxable value of
3 the taxable property in the urban renewal area or the
4 industrial district and shall be paid into the funds of the
5 respective taxing bodies.

6 (4) ~~No--bonds-with~~ Bonds secured in whole or in part by
7 a tax increment provisions for--the--repayment---thereof
8 provision may not be issued subsequent-to after the ~~10th~~
9 15th anniversary of tax increment provisions adopted after
10 January 1, 1980, and the ~~12th~~ 17th anniversary of tax
11 increment provisions adopted prior to January 1, 1980.
12 However, if bonds secured by a tax increment provision are
13 outstanding on the applicable anniversary, additional bonds
14 secured by the tax increment provision may be issued if the
15 final maturity date of the bonds is not later than the final
16 maturity date of any bonds then outstanding and secured by
17 the tax increment provision."

18 NEW SECTION. Section 2. Effective date. [This act] is
19 effective on passage and approval.

-End-



INTRODUCED BILL
SB 429

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0429, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the termination of tax increment financing; allowing the issuance of additional tax increment bonds under certain conditions; amending section 7-15-4292, MCA; and providing an immediate effective date.

FISCAL IMPACT:

Expenditures:

Office of Public Instruction


The proposal will increase foundation program payments to tax increment districts under 20-9-360 (2), MCA to the extent the extension successfully adds incremental taxable value to existing districts. Further, the proposal will extend the life of these payments. The magnitude of these effects are uncertain.

Revenues:

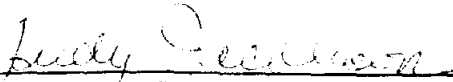
Extending the anniversary date for the tax increment provisions will reduce revenues that otherwise will be available to the state levy funds (university, school equalization, county equalization, etc.). The extent of these revenue reductions will depend on the number and size of tax increment districts that opt to continue tax increment provisions under the proposal.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposal extends the time during which the incremental taxable value of districts will be unavailable to meet the funding requirements of local governments, including school districts. While local governments would not see any change in revenues (any increase is foregone), local mills will have to remain higher than otherwise required to provide current local government services during the period.



ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning 2-21-91



JUDY JACOBSON, PRIMARY SPONSOR DATE
Fiscal Note for SB0429, as introduced 2-23-91
SB 429