

1 H BILL NO. 595  
 2 INTRODUCED BY Faye Ramirez, Kate Mencher  
 3 Hayden Robinson, William Krumholz  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO URBAN  
 5 RENEWAL PROJECTS AND AUTHORIZING MEANS OF FINANCING COSTS  
 6 THEREOF THROUGH ISSUANCE OF BONDS AND SEGREGATION AND  
 7 APPLICATION OF TAX INCREMENT; AMENDING SECTIONS 79-3910 AND  
 8 79-3921, R.C.M. 1947; REPEALING SECTIONS 79-3922, 79-3923,  
 9 79-3924, AND 79-3925, R.C.M. 1947; AND PROVIDING AN  
 10 IMMEDIATE EFFECTIVE DATE."

11  
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 13 Section 1. Section 11-3910, R.C.M. 1947, is amended to  
 14 read as follows:

15 "11-3910. Issuance of bonds. (a) A municipality shall  
 16 have the power to issue bonds from time to time in its  
 17 discretion to finance the undertaking of any urban renewal  
 18 project under this act, including, without limiting the  
 19 generality thereof, the payment of principal and interest  
 20 upon any advances for surveys and plans for urban renewal  
 21 projects, and shall also have power to issue refunding bonds  
 22 for the payment or retirement of such bonds previously  
 23 issued by it. Such bonds shall not pledge the general credit  
 24 of the municipality and shall be made payable, as to both  
 25 principal and interest, solely from the income, proceeds,

1 revenues, and funds of the municipality derived from, or  
 2 held in connection with, its undertaking and carrying out of  
 3 urban renewal projects under this act, including the tax  
 4 increments received and pledged by the municipality pursuant  
 5 to 11-3921; provided, however, that payment of such bonds,  
 6 both as to principal and interest, may be further secured by  
 7 a pledge of any loan, grant, or contribution from the  
 8 federal government or other source, in aid of any urban  
 9 renewal projects of the municipality under this act.

10 (b) Bonds issued under this section shall not  
 11 constitute an indebtedness within the meaning of any  
 12 constitutional or statutory debt limitation or restriction,  
 13 and shall be subject only to the provisions of the Uniform  
 14 Commercial Code and the limitations of this chapter. Bonds  
 15 issued under the provisions of this act are declared to be  
 16 issued for an essential public and governmental purpose,  
 17 and, together with interest thereon and income therefrom,  
 18 shall be exempted from all taxes.

19 (c) Bonds issued under this section shall be  
 20 authorized by resolution or ordinance of the local governing  
 21 body and may be issued in one or more series and shall bear  
 22 such date or dates, be payable upon demand or mature at such  
 23 time or times, bear interest at such rate or rates not  
 24 exceeding 9% a year, be in such denomination or  
 25 denominations, be in such form either coupon or registered,

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1 carry such conversion or registration privileges, have such  
 2 rank or priority, be executed in such manner, be payable in  
 3 such medium of payment, at such place or places, and be  
 4 subject to such terms of redemption (with or without  
 5 premium), be secured in such manner, and have such other  
 6 characteristics, as may be provided by such resolution or  
 7 trust indenture or mortgage issued pursuant thereto.

8 (d) Such bonds may be sold at not less than  
 9 ninety-eight per cent (98%) of par at public or private  
 10 sale, or may be exchanged for other bonds on the basis of  
 11 par: Provided, that such bonds may be sold to the federal  
 12 government at private sale at not less than par and, in the  
 13 event less than all of the authorized principal amount of  
 14 such bonds is sold to the federal government, the balance  
 15 may be sold at public or private sale at not less than  
 16 ninety-eight per cent (98%) of par at an interest cost to  
 17 the municipality of not to exceed the interest cost to the  
 18 municipality of the portion of the bonds sold to the federal  
 19 government.

20 (e) In case any of the public officials of the  
 21 municipality whose signatures appear on any bonds or coupons  
 22 issued under this act shall cease to be such officials  
 23 before the delivery of such bonds, such signatures shall,  
 24 nevertheless, be valid and sufficient for all purposes, the  
 25 same as if such officials had remained in office until such

1 delivery. Any provision of any law to the contrary  
 2 notwithstanding, any bonds issued pursuant to this act shall  
 3 be fully negotiable.

4 (f) In any suit, action, or proceeding involving the  
 5 validity or enforceability of any bond issued under this act  
 6 or the security therefor, any such bond reciting in  
 7 substance that it has been issued by the municipality in  
 8 connection with an urban renewal project, as herein defined,  
 9 shall be conclusively deemed to have been issued for such  
 10 purpose and such project shall be conclusively deemed to  
 11 have been planned, located, and carried out in accordance  
 12 with the provisions of this act.

13 (g) Bonds issued hereunder for which tax increments  
 14 are pledged pursuant to 11-3921 shall mature not later than  
 15 25 years from their date of issue and shall mature in such  
 16 years and amounts that the principal and interest due on the  
 17 bonds in each year does not exceed the tax increments and  
 18 other revenues, including proceeds of the bonds available  
 19 for payment of interest thereon, pledged to their payment to  
 20 be received in such year as estimated by the governing body  
 21 in the resolution authorizing the bonds. In calculating the  
 22 cost under 11-3921(5) for which the bonds are issued, the  
 23 municipality may include an amount sufficient to pay  
 24 interest on the bonds prior to receipt of tax increments  
 25 pledged and sufficient for the payment thereof."

1 Section 2. Section 11-3921, R.C.M. 1947, is amended to  
2 read as follows:

3 "11-3921. ~~Allocation of taxes~~ Tax increment financing.  
4 (1) Any urban renewal plan, as defined in section 11-3901,  
5 may contain a provision or be amended to contain a provision  
6 ~~providing that taxes levied on taxable property in an urban~~  
7 ~~renewal area each year by or for the benefit of the state~~  
8 ~~any city, county, or other political subdivisions for which~~  
9 ~~taxes are levied (hereafter referred to as taxing bodies)~~  
10 ~~shall be allocated after the effective date of such~~  
11 ~~provision as provided in subsections (3) and (4) of this~~  
12 ~~section for the segregation and application of tax~~  
13 ~~increment, as provided in this section.~~

14 (2) ~~For the purposes of this section, (a) "prior~~  
15 ~~assessed value" means the assessed value of the taxable~~  
16 ~~property in the urban renewal area as shown on the~~  
17 ~~assessment roll last equalized prior to the effective date~~  
18 ~~of the urban renewal plan notwithstanding the provisions of~~  
19 ~~this act any increase resulting from a comprehensive~~  
20 ~~revaluation of all property within the county may be applied~~  
21 ~~to the property for the purpose of determining the "prior~~  
22 ~~assessed value";~~

23 (b) ~~the word "taxes" includes, but is not limited to~~  
24 ~~all levies on an ad valorem basis upon land or real~~  
25 ~~property;~~

1 (3) ~~The portion of taxes produced by levies for a~~  
2 ~~taxing body upon the total sum of the prior assessed value~~  
3 ~~of the taxable property in the urban renewal area shall be~~  
4 ~~allocated and paid into the funds of the taxing body like~~  
5 ~~taxes paid by or for the taxing body on all other property.~~  
6 ~~For the purpose of allocating taxes levied by a taxing body~~  
7 ~~that did not include the urban renewal area on the effective~~  
8 ~~date of the provision allocating the taxes but to which the~~  
9 ~~urban renewal area has since been annexed or otherwise~~  
10 ~~included, the assessment roll of the county last equalized~~  
11 ~~prior to the effective date of the provision shall be used~~  
12 ~~in determining the prior assessed values.~~

13 (4) ~~The portion of taxes levied by such taxing body~~  
14 ~~each year in excess of the amount levied under subsection~~  
15 ~~(3) shall be paid by the county treasurer into a special~~  
16 ~~fund held by the city treasurer to pay the principal and~~  
17 ~~interest on bonds issued under authority of section 11-3910,~~  
18 ~~except that taxes for the payment of all bonds and interest~~  
19 ~~of each taxing body must be levied against all taxable~~  
20 ~~property within the taxing body without limitation by the~~  
21 ~~provisions of this subsection. Until the actual assessed~~  
22 ~~valuation of all property in the urban renewal area exceeds~~  
23 ~~the prior assessed value of all taxable property within such~~  
24 ~~area, the actual assessed value of all property shall be~~  
25 ~~used for taxation purposes.~~

~~(5) The portion of taxes allocated in subsection (4) above and the special fund into which they are paid may be pledged by a municipality for the payment of the principal and interest on bonds issued under the authority of section 11-3910, or bonded indebtedness incurred by a municipality to refinance in whole or in part the urban renewal projects prior to the sale of any bonds, there shall be (a) an election under sections 11-2308 and 11-2309 approving such sale or (b) a petition for the sale signed by the owners of record of at least fifty-one percent (51%) of the land within the urban renewal district.~~

~~(6) After all bonds and interest have been paid, all monies received from taxes upon property within the urban renewal area shall be allocated as taxes on all other property.~~

(2) For purposes of this section the following definitions apply unless otherwise provided or indicated by the context:

(a) "Original taxable value" means the taxable value of all taxable property within an urban renewal area as calculated from the assessment roll last equalized prior to the effective date of a tax increment financing provision.

(b) "Actual taxable value" means the taxable value of all taxable property within an urban renewal area as calculated from the assessment roll last equalized.

(c) "Incremental taxable value" means the amount, if any, by which the actual taxable value exceeds the original taxable value of all taxable property within an urban renewal area.

(d) "Tax increment" means the collections realized from extending the tax levies, expressed in mills, of all taxing bodies in which the urban renewal area or a part thereof is located against the incremental taxable value.

(e) "Taxes" mean all taxes levied by a taxing body against property on an ad valorem basis.

(f) "Taxing body" means any city, town, county, or other political subdivision or governmental unit of the state which levies taxes against property within the urban renewal area.

(3) The clerk of the municipality shall file a certified copy of the urban renewal plan or amendment thereto setting forth the provision for the segregation and application of tax increments with the state, county or city officers responsible for assessing and determining the taxable value of taxable property of taxing bodies within which the urban renewal area or a part thereof is located. A certified copy of the plan or amendment shall also be filed with the clerk of all the affected taxing bodies. The officer or officers responsible for assessing and determining the taxable value of the taxable property

1 located within the urban renewal area shall, immediately  
 2 upon receipt of the provision for the segregation and  
 3 application of tax increments, calculate and certify to each  
 4 affected taxing body the original taxable value of such  
 5 property. Each year thereafter the officers shall calculate  
 6 and certify to the affected taxing bodies the actual taxable  
 7 value and the incremental taxable value of the taxable  
 8 property located within the urban renewal area.

9 (4) Mill rates of taxing bodies for taxes levied after  
 10 the effective date of the provision for the segregation and  
 11 application of tax increments shall be calculated on the  
 12 basis of the sum of the taxable value, as shown by the last  
 13 equalized assessment roll, of all taxable property located  
 14 outside the urban renewal area and the original taxable  
 15 value of all taxable property located within the urban  
 16 renewal area. The mill rate so determined shall be extended  
 17 against the sum of the taxable value, as shown by the last  
 18 equalized assessment roll, of all taxable property located  
 19 outside the urban renewal area and the actual taxable value  
 20 of all taxable property located within the urban renewal  
 21 area. The tax increment, if any, received in each year from  
 22 the extension of the combined mill rates of all the affected  
 23 taxing bodies against the incremental taxable value shall be  
 24 paid to the municipality and used as provided in this  
 25 section. The balance of the taxes collected in each year

1 shall be paid to each of the taxing bodies as otherwise  
 2 provided by law.

3 (5) The tax increments may be used by the municipality  
 4 to pay costs of land acquisition; demolition and removal of  
 5 structures; relocation of occupants; and the acquisition,  
 6 construction, and improvement of streets, curbs, gutters,  
 7 sidewalks, pedestrian malls, alleys, parking lots and ramps,  
 8 sewers, waterlines, waterways, public buildings, and other  
 9 public improvements authorized by Title 11, chapter 22 or  
 10 may be pledged to the payment of the principal and interest  
 11 on bonds which the municipality may issue for such purposes  
 12 pursuant to 11-3910. The municipality may also enter into  
 13 agreements with the other affected taxing bodies to remit to  
 14 such taxing bodies that portion of the annual tax increment  
 15 not currently required for the payment of such costs or  
 16 pledged to the payment of the principal and interest on such  
 17 bonds.

18 (6) At the time of adoption of a provision for the  
 19 segregation and application of tax increments or at any time  
 20 subsequent thereto, the governing body of the municipality  
 21 may provide that only a portion of the incremental taxable  
 22 value may be segregated as provided in subsections (3) and  
 23 (4) of this section. The portion so determined shall be  
 24 certified by the clerk to the officers and taxing bodies to  
 25 which the provision for segregation and application of tax

1 ~~increments is certified. Thereafter, in determining the mill~~  
2 ~~rates of affected taxing bodies, the taxable values against~~  
3 ~~which the mill rates are extended, and the tax increment to~~  
4 ~~be paid to the municipality, the original taxable value~~  
5 ~~shall be increased and the incremental taxable value shall~~  
6 ~~be decreased.~~

7 ~~(7) The provision for segregation and application of~~  
8 ~~tax increments within an urban renewal area shall terminate~~  
9 ~~upon the 10th year following its adoption or upon the~~  
10 ~~payment in full or discharge of all bonds and the interest~~  
11 ~~thereon for which the tax increment has been pledged,~~  
12 ~~whichever last occurs. Unless otherwise provided by~~  
13 ~~agreement with other taxing bodies, any tax increments~~  
14 ~~remaining after termination of the provision for segregation~~  
15 ~~and application of tax increments shall be available for~~  
16 ~~general purposes of the municipality."~~

17 Section 3. Effective date and transition. This act is  
18 effective on its passage and approval. Any municipality  
19 which adopted a provision for the allocation of taxes under  
20 11-3921 prior to the effective date of this act may  
21 implement and carry out such provision under this act.

22 Section 4. Repealer. Sections 11-3922, 11-3923,  
23 11-3924, and 11-3925, R.C.M. 1947, are repealed.

-End-

Approved by Committee  
on Taxation

1 H BILL NO. 595  
2 INTRODUCED BY Faye Ramis, Fata Mendhan  
3 Ngay, Tolong, William Hummer

4 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO URBAN  
5 RENEWAL PROJECTS AND AUTHORIZING MEANS OF FINANCING COSTS  
6 THEREOF THROUGH ISSUANCE OF BONDS AND SEGREGATION AND  
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8 79-3921, R.C.M. 1947; REPEALING SECTIONS 79-3922, 79-3923,  
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13 Section 1. Section 11-3910, R.C.M. 1947, is amended to  
14 read as follows:

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16 have the power to issue bonds from time to time in its  
17 discretion to finance the undertaking of any urban renewal  
18 project under this act, including, without limiting the  
19 generality thereof, the payment of principal and interest  
20 upon any advances for surveys and plans for urban renewal  
21 projects, and shall also have power to issue refunding bonds  
22 for the payment or retirement of such bonds previously  
23 issued by it. Such bonds shall not pledge the general credit  
24 of the municipality and shall be made payable, as to both  
25 principal and interest, solely from the income, proceeds,

1 revenues, and funds of the municipality derived from, or  
2 held in connection with, its undertaking and carrying out of  
3 urban renewal projects under this act, including the tax  
4 increments received and pledged by the municipality pursuant  
5 to 11-3921; provided, however, that payment of such bonds,  
6 both as to principal and interest, may be further secured by  
7 a pledge of any loan, grant, or contribution from the  
8 federal government or other source, in aid of any urban  
9 renewal projects of the municipality under this act.

10 (b) Bonds issued under this section shall not  
11 constitute an indebtedness within the meaning of any  
12 constitutional or statutory debt limitation or restriction,  
13 and shall be subject only to the provisions of the Uniform  
14 Commercial Code and the limitations of this chapter. Bonds  
15 issued under the provisions of this act are declared to be  
16 issued for an essential public and governmental purpose,  
17 and, together with interest thereon and income therefrom,  
18 shall be exempted from all taxes.

19 (c) Bonds issued under this section shall be  
20 authorized by resolution or ordinance of the local governing  
21 body and may be issued in one or more series and shall bear  
22 such date or dates, be payable upon demand or mature at such  
23 time or times, bear interest at such rate or rates not  
24 exceeding 9% a year, be in such denomination or  
25 denominations, be in such form either coupon or registered,

1 carry such conversion or registration privileges, have such  
 2 rank or priority, be executed in such manner, be payable in  
 3 such medium of payment, at such place or places, and be  
 4 subject to such terms of redemption (with or without  
 5 premium), be secured in such manner, and have such other  
 6 characteristics, as may be provided by such resolution or  
 7 trust indenture or mortgage issued pursuant thereto.

8 (d) Such bonds may be sold at not less than  
 9 ninety-eight per cent (98%) of par at public or private  
 10 sale, or may be exchanged for other bonds on the basis of  
 11 par: Provided, that such bonds may be sold to the federal  
 12 government at private sale at not less than par and, in the  
 13 event less than all of the authorized principal amount of  
 14 such bonds is sold to the federal government, the balance  
 15 may be sold at public or private sale at not less than  
 16 ninety-eight per cent (98%) of par at an interest cost to  
 17 the municipality of not to exceed the interest cost to the  
 18 municipality of the portion of the bonds sold to the federal  
 19 government.

20 (e) In case any of the public officials of the  
 21 municipality whose signatures appear on any bonds or coupons  
 22 issued under this act shall cease to be such officials  
 23 before the delivery of such bonds, such signatures shall,  
 24 nevertheless, be valid and sufficient for all purposes, the  
 25 same as if such officials had remained in office until such

1 delivery. Any provision of any law to the contrary  
 2 notwithstanding, any bonds issued pursuant to this act shall  
 3 be fully negotiable.

4 (f) In any suit, action, or proceeding involving the  
 5 validity or enforceability of any bond issued under this act  
 6 or the security therefor, any such bond reciting in  
 7 substance that it has been issued by the municipality in  
 8 connection with an urban renewal project, as herein defined,  
 9 shall be conclusively deemed to have been issued for such  
 10 purpose and such project shall be conclusively deemed to  
 11 have been planned, located, and carried out in accordance  
 12 with the provisions of this act.

13 (g) Bonds issued hereunder for which tax increments  
 14 are pledged pursuant to 11-3921 shall mature not later than  
 15 25 years from their date of issue and shall mature in such  
 16 years and amounts that the principal and interest due on the  
 17 bonds in each year does not exceed the tax increments and  
 18 other revenues, including proceeds of the bonds available  
 19 for payment of interest thereon, pledged to their payment to  
 20 be received in such year as estimated by the governing body  
 21 in the resolution authorizing the bonds. In calculating the  
 22 cost under 11-3921(5) for which the bonds are issued, the  
 23 municipality may include an amount sufficient to pay  
 24 interest on the bonds prior to receipt of tax increments  
 25 pledged and sufficient for the payment thereof."

1 Section 2. Section 11-3921, R.C.M. 1947, is amended to  
2 read as follows:

3 "11-3921. Allocation of taxes Tax increment financing.

4 (1) Any urban renewal plan, as defined in section 11-3901,  
5 may contain a provision or be amended to contain a provision  
6 providing that taxes levied on taxable property in an urban  
7 renewal area each year by or for the benefit of the state  
8 any city, county, or other political subdivisions for which  
9 taxes are levied, (hereafter referred to as taxing bodies)  
10 shall be allocated, after the effective date of such  
11 provision as provided in subsections (3) and (4) of this  
12 section for the segregation and application of tax  
13 increment, as provided in this section.

14 (2) ~~For the purposes of this section, (a) "prior~~  
15 ~~assessed value" means the assessed value of the taxable~~  
16 ~~property in the urban renewal area as shown on the~~  
17 ~~assessment roll last equitized prior to the effective date~~  
18 ~~of the urban renewal plan; notwithstanding the provisions of~~  
19 ~~this act, any increase resulting from a comprehensive~~  
20 ~~revaluation of all property within the county may be applied~~  
21 ~~to the property for the purpose of determining the "prior~~  
22 ~~assessed value";~~

23 (b) ~~the word "taxes" includes, but is not limited to,~~  
24 ~~all levies on an ad valorem basis upon land or real~~  
25 ~~property.~~

1 ~~(3) The portion of taxes produced by levies for a~~  
2 ~~taxing body upon the total sum of the prior assessed value~~  
3 ~~of the taxable property in the urban renewal area shall be~~  
4 ~~allocated and paid into the funds of the taxing body like~~  
5 ~~taxes paid by or for the taxing body on all other property.~~  
6 ~~For the purpose of allocating taxes levied by a taxing body~~  
7 ~~that did not include the urban renewal area on the effective~~  
8 ~~date of the provision allocating the taxes but to which the~~  
9 ~~urban renewal area has since been annexed or otherwise~~  
10 ~~included, the assessment roll of the county last equitized~~  
11 ~~prior to the effective date of the provision shall be used~~  
12 ~~in determining the prior assessed value.~~

13 (4) ~~The portion of taxes levied by such taxing body~~  
14 ~~each year in excess of the amount levied under subsection~~  
15 ~~(3) shall be paid by the county treasurer into a special~~  
16 ~~fund held by the city treasurer to pay the principal and~~  
17 ~~interest on bonds issued under authority of section 11-3910,~~  
18 ~~except that taxes for the payment of all bonds and interest~~  
19 ~~of each taxing body must be levied against all taxable~~  
20 ~~property within the taxing body without limitation by the~~  
21 ~~provisions of this subsection. Until the actual assessed~~  
22 ~~valuation of all property in the urban renewal area exceeds~~  
23 ~~the prior assessed value of all taxable property within such~~  
24 ~~area, the actual assessed value of all property shall be~~  
25 ~~used for taxation purposes.~~

1       ~~(5) The portion of taxes allocated in subsection (4)~~  
 2 ~~above and the special fund into which they are paid, may be~~  
 3 ~~pledged by a municipality for the payment of the principal~~  
 4 ~~and interest on bonds issued under the authority of section~~  
 5 ~~11-3910, or bonded indebtedness incurred by a municipality~~  
 6 ~~to refinance in whole or in part, the urban renewal projects~~  
 7 ~~prior to the sale of any bonds, there shall be (a) an~~  
 8 ~~election under sections 11-2388 and 11-2389 approving such~~  
 9 ~~sale, or (b) a petition for the sale signed by the owners of~~  
 10 ~~record of at least fifty-one percent (51%) of the land~~  
 11 ~~within the urban renewal district.~~

12       ~~(6) After all bonds and interest have been paid, all~~  
 13 ~~monies received from taxes upon property within the urban~~  
 14 ~~renewal area shall be allocated as taxes on all other~~  
 15 ~~property.~~

16       (2) For purposes of this section the following  
 17 definitions apply unless otherwise provided or indicated by  
 18 the context:

19       (a) "Original taxable value" means the taxable value  
 20 of all taxable property within an urban renewal area as  
 21 calculated from the assessment roll last equalized prior to  
 22 the effective date of a tax increment financing provision.

23       (b) "Actual taxable value" means the taxable value of  
 24 all taxable property within an urban renewal area as  
 25 calculated from the assessment roll last equalized.

1       (c) "Incremental taxable value" means the amount, if  
 2 any, by which the actual taxable value exceeds the original  
 3 taxable value of all taxable property within an urban  
 4 renewal area.

5       (d) "Tax increment" means the collections realized  
 6 from extending the tax levies, expressed in mills, of all  
 7 taxing bodies in which the urban renewal area or a part  
 8 thereof is located against the incremental taxable value.

9       (e) "Taxes" mean all taxes levied by a taxing body  
 10 against property on an ad valorem basis.

11       (f) "Taxing body" means any city, town, county, or  
 12 other political subdivision or governmental unit of the  
 13 state which levies taxes against property within the urban  
 14 renewal area.

15       (3) The clerk of the municipality shall file a  
 16 certified copy of the urban renewal plan or amendment  
 17 thereto setting forth the provision for the segregation and  
 18 application of tax increments with the state, county or city  
 19 officers responsible for assessing and determining the  
 20 taxable value of taxable property of taxing bodies within  
 21 which the urban renewal area or a part thereof is located. A  
 22 certified copy of the plan or amendment shall also be filed  
 23 with the clerk of all the affected taxing bodies. The  
 24 officer or officers responsible for assessing and  
 25 determining the taxable value of the taxable property

1 located within the urban renewal area shall, immediately  
 2 upon receipt of the provision for the segregation and  
 3 application of tax increments, calculate and certify to each  
 4 affected taxing body the original taxable value of such  
 5 property. Each year thereafter the officers shall calculate  
 6 and certify to the affected taxing bodies the actual taxable  
 7 value and the incremental taxable value of the taxable  
 8 property located within the urban renewal area.

9 (4) Mill rates of taxing bodies for taxes levied after  
 10 the effective date of the provision for the segregation and  
 11 application of tax increments shall be calculated on the  
 12 basis of the sum of the taxable value as shown by the last  
 13 equalized assessment roll, of all taxable property located  
 14 outside the urban renewal area and the original taxable  
 15 value of all taxable property located within the urban  
 16 renewal area. The mill rate so determined shall be extended  
 17 against the sum of the taxable value, as shown by the last  
 18 equalized assessment roll, of all taxable property located  
 19 outside the urban renewal area and the actual taxable value  
 20 of all taxable property located within the urban renewal  
 21 area. The tax increment, if any, received in each year from  
 22 the extension of the combined mill rates of all the affected  
 23 taxing bodies against the incremental taxable value shall be  
 24 paid to the municipality and used as provided in this  
 25 section. The balance of the taxes collected in each year

1 shall be paid to each of the taxing bodies as otherwise  
 2 provided by law.

3 (5) The tax increments may be used by the municipality  
 4 to pay costs of land acquisition; demolition and removal of  
 5 structures; relocation of occupants; and the acquisition,  
 6 construction, and improvement of streets, curbs, gutters,  
 7 sidewalks, pedestrian malls, alleys, parking lots and ramps,  
 8 sewers, waterlines, waterways, public buildings, and other  
 9 public improvements authorized by Title II, chapter 22 or  
 10 may be pledged to the payment of the principal and interest  
 11 on bonds which the municipality may issue for such purposes  
 12 pursuant to II-3910. The municipality may also enter into  
 13 agreements with the other affected taxing bodies to remit to  
 14 such taxing bodies that portion of the annual tax increment  
 15 not currently required for the payment of such costs or  
 16 pledged to the payment of the principal and interest on such  
 17 bonds.

18 (6) At the time of adoption of a provision for the  
 19 segregation and application of tax increments or at any time  
 20 subsequent thereto, the governing body of the municipality  
 21 may provide that only a portion of the incremental taxable  
 22 value may be segregated as provided in subsections (3) and  
 23 (4) of this section. The portion so determined shall be  
 24 certified by the clerk to the officers and taxing bodies to  
 25 which the provision for segregation and application of tax

1 increments is certified. Thereafter, in determining the mill  
2 rates of affected taxing bodies, the taxable values against  
3 which the mill rates are extended, and the tax increment to  
4 be paid to the municipality, the original taxable value  
5 shall be increased and the incremental taxable value shall  
6 be decreased.

7 (7) The provision for segregation and application of  
8 tax increments within an urban renewal area shall terminate  
9 upon the 10th year following its adoption or upon the  
10 payment in full or discharge of all bonds and the interest  
11 thereon for which the tax increment has been pledged,  
12 whichever last occurs. Unless otherwise provided by  
13 agreement with other taxing bodies, any tax increments  
14 remaining after termination of the provision for segregation  
15 and application of tax increments shall be available for  
16 general purposes of the municipality."

17 Section 3. Effective date and transition. This act is  
18 effective on its passage and approval. Any municipality  
19 which adopted a provision for the allocation of taxes under  
20 11-3921 prior to the effective date of this act may  
21 implement and carry out such provision under this act.

22 Section 4. Repealer. Sections 11-3922, 11-3923,  
23 11-3924, and 11-3925, R.C.M. 1947, are repealed.

-End-

Approved by Committee  
on Taxation

HOUSE BILL NO. 595

INTRODUCED BY FAGG, RAMIREZ, PORTER,

MENAHAN, HARPER, FABREGA, WILLIAMS, HUENNEKENS

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO URBAN RENEWAL PROJECTS AND AUTHORIZING MEANS OF FINANCING COSTS THEREOF THROUGH ISSUANCE OF BONDS AND SEGREGATION AND APPLICATION OF TAX INCREMENT; AMENDING SECTIONS 79-3910 AND 79-3921, R.C.M. 1947; REPEALING SECTIONS 79-3922, 79-3923, 79-3924, AND 79-3925, R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 11-3910, R.C.M. 1947, is amended to read as follows:

"11-3910. Issuance of bonds. (a) A municipality shall have the power to issue bonds from time to time in its discretion to finance the undertaking of any urban renewal project under this act, including, without limiting the generality thereof, the payment of principal and interest upon any advances for surveys and plans for urban renewal projects, and shall also have power to issue refunding bonds for the payment or retirement of such bonds previously issued by it. Such bonds shall not pledge the general credit of the municipality and shall be made payable, as to both

principal and interest, solely from the income, proceeds, revenues, and funds of the municipality derived from, or held in connection with, its undertaking and carrying out of urban renewal projects under this act, including the tax increments INCREMENT received and pledged by the municipality pursuant to 11-3921; provided, however, that payment of such bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant, or contribution from the federal government or other source, in aid of any urban renewal projects of the municipality under this act.

(b) Bonds issued under this section shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall be subject only to the provisions of the Uniform Commercial Code and the limitations of this chapter. Bonds issued under the provisions of this act are declared to be issued for an essential public and governmental purpose, and, together with interest thereon and income therefrom, shall be exempted from all taxes.

(c) Bonds issued under this section shall be authorized by resolution or ordinance of the local governing body and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates not

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1 exceeding 9% a year, be in such denomination or  
 2 denominations, be in such form either coupon or registered,  
 3 carry such conversion or registration privileges, have such  
 4 rank or priority, be executed in such manner, be payable in  
 5 such medium of payment, at such place or places, and be  
 6 subject to such terms of redemption (with or without  
 7 premium), be secured in such manner, and have such other  
 8 characteristics, as may be provided by such resolution,  
 9 ORDINANCE, or trust indenture or mortgage ~~issued~~ AUTHORIZED  
 10 pursuant thereto.

11 (d) Such bonds may be sold at not less than  
 12 ninety-eight per cent (98%) of par at public or private  
 13 sale, or may be exchanged for other bonds on the basis of  
 14 par: Provided, that such bonds may be sold to the federal  
 15 government at private sale at not less than par and, in the  
 16 event less than all of the authorized principal amount of  
 17 such bonds is sold to the federal government, the balance  
 18 may be sold at public or private sale at not less than  
 19 ninety-eight per cent (98%) of par at an interest cost to  
 20 the municipality of not to exceed the interest cost to the  
 21 municipality of the portion of the bonds sold to the federal  
 22 government.

23 (e) In case any of the public officials of the  
 24 municipality whose signatures appear on any bonds or coupons  
 25 issued under this act shall cease to be such officials

1 before the delivery of such bonds, such signatures shall,  
 2 nevertheless, be valid and sufficient for all purposes, the  
 3 same as if such officials had remained in office until such  
 4 delivery. Any provision of any law to the contrary  
 5 notwithstanding, any bonds issued pursuant to this act shall  
 6 be fully negotiable.

7 (f) In any suit, action, or proceeding involving the  
 8 validity or enforceability of any bond issued under this act  
 9 or the security therefor, any such bond reciting in  
 10 substance that it has been issued by the municipality in  
 11 connection with an urban renewal project, as herein defined,  
 12 shall be conclusively deemed to have been issued for such  
 13 purpose and such project shall be conclusively deemed to  
 14 have been planned, located, and carried out in accordance  
 15 with the provisions of this act.

16 (g) Bonds issued hereunder for which a tax increment  
 17 INCREMENT ~~are~~ IS pledged pursuant to 11-3921 shall BE  
 18 DESIGNED TO mature not later than 25 years from their date  
 19 of issue and shall mature in such years and amounts that the  
 20 principal and interest due on the bonds in each year ~~does~~  
 21 SHALL not exceed the ESTIMATED tax ~~increments~~ INCREMENT and  
 22 other ESTIMATED revenues, including proceeds of the bonds  
 23 available for payment of interest thereon, pledged to their  
 24 payment to be received in such year, ~~as estimated by the THE~~  
 25 governing body in the resolution OR ORDINANCE authorizing

1 the bonds SHALL DETERMINE THE ESTIMATED TAX INCREMENT AND  
 2 OTHER REVENUES, IF ANY, FOR EACH YEAR THE BONDS ARE TO BE  
 3 OUTSTANDING. In calculating the cost under 11-3921(5) for  
 4 which the bonds are issued, the municipality may include an  
 5 amount sufficient to pay interest on the bonds prior to  
 6 receipt of tax increments INCREMENT pledged and sufficient  
 7 for the payment thereof, AND TO FUND ANY RESERVE FUND IN  
 8 RESPECT OF THE BONDS."

9 Section 2. Section 11-3921, R.C.M. 1947, is amended to  
 10 read as follows:

11 "11-3921. Allocation of taxes Tax increment financing.

12 (1) Any urban renewal plan, as defined in section 11-3901,  
 13 may contain a provision or be amended to contain a provision  
 14 ~~providing that taxes levied on taxable property in an urban~~  
 15 ~~renewal area each year by or for the benefit of the state,~~  
 16 ~~any city, county, or other political subdivisions for which~~  
 17 ~~taxes are levied, (hereafter referred to as taxing bodies)~~  
 18 ~~shall be allocated, after the effective date of such~~  
 19 ~~provision as provided in subsections (3) and (4) of this~~  
 20 ~~section for the segregation and application of tax~~  
 21 ~~increment, as provided in this section, EXCEPT THAT TAXES~~  
 22 ~~FOR THE PAYMENT OF ALL BONDS OF EACH TAXING BODY MUST BE~~  
 23 ~~LEVIED AGAINST ALL TAXABLE PROPERTY WITHIN THE TAXING BODY~~  
 24 ~~WITHOUT LIMITATION BY THE PROVISIONS OF THIS SECTION.~~

25 ~~(2) For the purposes of this section, (a) "prior~~

1 ~~assessed value" means the assessed value of the taxable~~  
 2 ~~property in the urban renewal area as shown on the~~  
 3 ~~assessment roll last equalized prior to the effective date~~  
 4 ~~of the urban renewal plan, notwithstanding the provisions of~~  
 5 ~~this act, any increase resulting from a comprehensive~~  
 6 ~~reevaluation of all property within the county may be applied~~  
 7 ~~to the property for the purpose of determining the "prior~~  
 8 ~~assessed value";~~

9 ~~(b) the word "taxes" includes, but is not limited to,~~  
 10 ~~all levies on an ad valorem basis upon land or real~~  
 11 ~~property.~~

12 ~~(3) The portion of taxes produced by levies for a~~  
 13 ~~taxing body upon the total sum of the prior assessed value~~  
 14 ~~of the taxable property in the urban renewal area shall be~~  
 15 ~~allocated and paid into the funds of the taxing body like~~  
 16 ~~taxes paid by or for the taxing body on all other property.~~  
 17 ~~For the purpose of allocating taxes levied by a taxing body~~  
 18 ~~that did not include the urban renewal area on the effective~~  
 19 ~~date of the provision allocating the taxes but to which the~~  
 20 ~~urban renewal area has since been annexed or otherwise~~  
 21 ~~included, the assessment roll of the county last equalized~~  
 22 ~~prior to the effective date of the provision shall be used~~  
 23 ~~in determining the prior assessed value.~~

24 ~~(4) The portion of taxes levied by such taxing body~~  
 25 ~~each year in excess of the amount levied under subsection~~

~~(3) shall be paid by the county treasurer into a special fund held by the city treasurer to pay the principal and interest on bonds issued under authority of section 11-2910, except that taxes for the payment of all bonds and interest of each taxing body must be levied against all taxable property within the taxing body without limitation by the provisions of this subsection. Until the actual assessed valuation of all property in the urban renewal area exceeds the prior assessed value of all taxable property within such area, the actual assessed value of all property shall be used for taxation purposes.~~

~~(5) The portion of taxes allocated in subsection (4) above, and the special fund into which they are paid, may be pledged by a municipality for the payment of the principal and interest on bonds issued under the authority of section 11-2910, or bonded indebtedness, incurred by a municipality to refinance in whole or in part, the urban renewal project. Prior to the sale of any bonds, there shall be (a) an election under sections 11-2308 and 11-2309 approving such sale, or (b) a petition for the sale signed by the owners of record of at least fifty one percent (51%) of the land within the urban renewal district.~~

~~(6) After all bonds and interest have been paid, all monies received from taxes upon property within the urban renewal area shall be allocated as taxes on all other~~

~~property.~~

(2) For purposes of this section the following definitions apply unless otherwise provided or indicated by the context:

(a) "Original taxable value" means the taxable value of all taxable property within an urban renewal area as calculated from the assessment roll last equalized prior to the effective date of a tax increment financing provision.

(b) "Actual taxable value" means the taxable value of all taxable property within an urban renewal area as calculated from the assessment roll last equalized.

(c) "Incremental taxable value" means the amount, if any, by which the actual taxable value exceeds the original taxable value of all taxable property within an urban renewal area.

(d) "Tax increment" means the collections realized from extending the tax levies, expressed in mills, of all taxing bodies in which the urban renewal area or a part thereof is located against the incremental taxable value.

(E) "TAX INCREMENT PROVISION" MEANS A PROVISION FOR THE SEGREGATION AND APPLICATION OF TAX INCREMENT AS AUTHORIZED BY THIS SECTION.

~~(f)~~ (F) "Taxes" mean all taxes levied by a taxing body against property on an ad valorem basis.

~~(g)~~ (G) "Taxing body" means any city, town, county,

1 SCHOOL DISTRICT, or other political subdivision or  
 2 governmental unit of the state, INCLUDING THE STATE, which  
 3 levies taxes against property within the urban renewal area.  
 4 (3) The clerk of the municipality shall file a  
 5 certified copy of the EACH urban renewal plan or amendment  
 6 thereto ~~setting forth the provision for the segregation and~~  
 7 ~~application of tax increments~~ CONTAINING A TAX INCREMENT  
 8 PROVISION with the state, county or city officers  
 9 responsible for assessing and determining the taxable value  
 10 of taxable property ~~of taxing bodies within which the urban~~  
 11 renewal area or a ANY part thereof is located. A certified  
 12 copy of the plan or amendment shall also be filed with the  
 13 clerk OR OTHER APPROPRIATE OFFICER of all EACH OF the  
 14 affected taxing bodies. The officer or officers responsible  
 15 for assessing and determining the taxable value of the  
 16 taxable property located within the urban renewal area  
 17 shall, immediately upon receipt of the TAX INCREMENT  
 18 provision ~~for the segregation and application of tax~~  
 19 ~~increments~~ AND EACH YEAR THEREAFTER, calculate and certify  
 20 REPORT to each THE MUNICIPALITY AND TO ANY OTHER affected  
 21 taxing body the original, ACTUAL, AND INCREMENTAL taxable  
 22 value of such property. ~~Each year thereafter the officers~~  
 23 ~~shall calculate and certify to the affected taxing bodies~~  
 24 ~~the actual taxable value and the incremental taxable value~~  
 25 ~~of the taxable property located within the urban renewal~~

1 ~~area.~~  
 2 (4) Mill rates of taxing bodies for taxes levied after  
 3 the effective date of the TAX INCREMENT provision ~~for the~~  
 4 ~~segregation and application of tax increments shall be~~  
 5 calculated on the basis of the sum of the taxable value, as  
 6 shown by the last equalized assessment roll, of all taxable  
 7 property located outside the urban renewal area and the  
 8 original taxable value of all taxable property located  
 9 within the urban renewal area. The mill rate so determined  
 10 shall be ~~extended~~ LEVIED against the sum of the ACTUAL  
 11 taxable value, as shown by the last equalized assessment  
 12 roll, of all taxable property located WITHIN AS WELL AS  
 13 outside the urban renewal area ~~and the actual taxable value~~  
 14 ~~of all taxable property located within the urban renewal~~  
 15 area. The tax increment, if any, received in each year from  
 16 the ~~extension~~ LEVY of the combined mill rates of all the  
 17 affected taxing bodies against the incremental taxable value  
 18 WITHIN THE URBAN RENEWAL AREA shall be paid ~~to the~~ INTO A  
 19 SPECIAL FUND HELD BY THE TREASURER OF THE municipality and  
 20 used as provided in this section. The balance of the taxes  
 21 collected in each year shall be paid to each of the taxing  
 22 bodies as otherwise provided by law.  
 23 (5) The tax increments may be used by the municipality  
 24 to pay ~~costs of~~ THE FOLLOWING COSTS OF OR INCURRED IN  
 25 CONNECTION WITH AN URBAN RENEWAL PROJECT: land acquisition;

1 demolition and removal of structures; relocation of  
 2 occupants; and the acquisition, construction, and  
 3 improvement of streets, curbs, gutters, sidewalks,  
 4 pedestrian malls, alleys, parking lots and ~~ways~~ OFF-STREET  
 5 PARKING FACILITIES, sewers, waterlines, waterways, public  
 6 buildings, and other public improvements authorized by Title  
 7 11, chapter 22, AND ITEMS OF PERSONAL PROPERTY TO BE USED IN  
 8 CONNECTION WITH IMPROVEMENTS FOR WHICH THE FOREGOING COSTS  
 9 MAY BE INCURRED; or THE TAX INCREMENT may be pledged to the  
 10 payment of the principal OF PREMIUMS, IF ANY, and interest  
 11 on bonds which the municipality may issue for such purposes  
 12 pursuant to 11-3910 FOR THE PURPOSE OF PROVIDING BONDS TO  
 13 PAY SUCH COSTS. The municipality may also enter into  
 14 agreements with the other affected taxing bodies to remit to  
 15 such taxing bodies ~~that~~ ANY portion of the annual tax  
 16 increment not currently required for the payment of such  
 17 costs or pledged to the payment of the principal OF  
 18 PREMIUMS, IF ANY, and interest on such bonds.

19 (6) At the time of adoption of a TAX INCREMENT  
 20 provision ~~for the segregation and application of tax~~  
 21 increments or at any time subsequent thereto, the governing  
 22 body of the municipality may provide that only a portion of  
 23 the TAX INCREMENT FROM THE incremental taxable value ~~may~~  
 24 SHALL be segregated as provided in subsections (3) and (4)  
 25 of this section. The portion so determined shall be

1 certified REPORTED by the clerk to the officers and taxing  
 2 bodies to which the INCREMENT provision ~~for segregation and~~  
 3 application of tax increments is certified EFFECTED.  
 4 Thereafter, in determining the mill rates of affected taxing  
 5 bodies, the taxable values against which the mill rates are  
 6 extended LEVIED, and the tax increment to be paid to the  
 7 municipality, the original taxable value shall be increased  
 8 and the incremental taxable value shall be decreased.

9 (7) The TAX INCREMENT provision ~~for segregation and~~  
 10 application of tax increments within an urban renewal area  
 11 shall terminate upon the 10th year following its adoption or  
 12 upon the payment OR PROVISION FOR PAYMENT in full or  
 13 discharge of all bonds FOR WHICH THE TAX INCREMENT HAS BEEN  
 14 PLEGGED and the interest thereon ~~for which the tax increment~~  
 15 has been pledged, whichever last occurs, ~~unless otherwise~~  
 16 provided by agreement with other taxing bodies, any tax  
 17 increments remaining ANY AMOUNTS REMAINING IN THE SPECIAL  
 18 FUND OR ANY RESERVE FUND after termination of the TAX  
 19 INCREMENT provision ~~for segregation and application of tax~~  
 20 increments shall be available for general purposes of the  
 21 municipality DISTRIBUTED AMONG THE VARIOUS TAXING BODIES IN  
 22 PROPORTION TO THEIR PROPERTY TAX REVENUES FROM THE DISTRICT.  
 23 AFTER TERMINATION OF THE TAX INCREMENT PROVISION, ALL TAXES  
 24 SHALL BE LEVIED UPON THE ACTUAL TAXABLE VALUE OF THE TAXABLE  
 25 PROPERTY IN THE URBAN RENEWAL AREA, AND SHALL BE PAID INTO

1 THE FUNDS OF THE RESPECTIVE TAXING BODIES."

2 Section 3. Effective date and transition. This act is  
3 effective on its passage and approval. Any municipality  
4 which adopted a provision for the allocation of taxes under  
5 11-3921 prior to the effective date of this act may  
6 implement and carry out such provision under this act.

7 Section 4. Repealer. Sections 11-3922, 11-3923,  
8 11-3924, and 11-3925, R.C.M. 1947, are repealed.

-End-

HOUSE BILL NO. 595

INTRODUCED BY FAGG, RAMIREZ, PORTER,  
MENAHAN, HARPER, FABREGA, WILLIAMS, HUENNEKENS

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO URBAN  
RENEWAL PROJECTS AND AUTHORIZING MEANS OF FINANCING COSTS  
THEREOF THROUGH ISSUANCE OF BONDS AND SEGREGATION AND  
APPLICATION OF TAX INCREMENT; AMENDING SECTIONS ~~79-3910~~ AND  
~~79-3921, R.C.M. 1947; REPEALING SECTIONS ~~79-3922, 79-3923,~~~~  
~~79-3924, AND 79-3925, R.C.M. 1947; AND PROVIDING AN 11-3910~~  
~~AND 11-3921, R.C.M. 1947; REPEALING SECTIONS 11-3922,~~  
~~11-3923, 11-3924, AND 11-3925, R.C.M. 1947; AND PROVIDING AN~~  
IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
Section 1. Section 11-3910, R.C.M. 1947, is amended to  
read as follows:

"11-3910. Issuance of bonds. (a) A municipality shall  
have the power to issue bonds from time to time in its  
discretion to finance the undertaking of any urban renewal  
project under this act, including, without limiting the  
generality thereof, the payment of principal and interest  
upon any advances for surveys and plans for urban renewal  
projects, and shall also have power to issue refunding bonds  
for the payment or retirement of such bonds previously

issued by it. Such bonds shall not pledge the general credit  
of the municipality and shall be made payable, as to both  
principal and interest, solely from the income, proceeds,  
revenues, and funds of the municipality derived from, or  
held in connection with, its undertaking and carrying out of  
urban renewal projects under this act, ~~including the tax~~  
~~increments INCREMENT received and pledged by the~~  
~~municipality pursuant to 11-3921; provided, however, that~~  
payment of such bonds, both as to principal and interest,  
may be further secured by a pledge of any loan, grant, or  
contribution from the federal government or other source, in  
aid of any urban renewal projects of the municipality under  
this act.

(b) Bonds issued under this section shall not  
constitute an indebtedness within the meaning of any  
constitutional or statutory debt limitation or restriction,  
and shall be subject only to the provisions of the Uniform  
Commercial Code ~~and the limitations of this chapter.~~ Bonds  
issued under the provisions of this act are declared to be  
issued for an essential public and governmental purpose,  
and, together with interest thereon and income therefrom,  
shall be exempted from all taxes.

(c) Bonds issued under this section shall be  
authorized by resolution or ordinance of the local governing  
body and may be issued in one or more series and shall bear

1 such date or dates, be payable upon demand or mature at such  
 2 time or times, bear interest at such rate or rates ~~not~~  
 3 ~~exceeding 9% a year,~~ be in such denomination or  
 4 denominations, be in such form either coupon or registered,  
 5 carry such conversion or registration privileges, have such  
 6 rank or priority, be executed in such manner, be payable in  
 7 such medium of payment, at such place or places, and be  
 8 subject to such terms of redemption (with or without  
 9 premium), be secured in such manner, and have such other  
 10 characteristics, as may be provided by such resolutions,  
 11 ~~ORDINANCE,~~ or trust indenture or mortgage ~~issued~~ AUTHORIZED  
 12 pursuant thereto.

13 (d) Such bonds may be sold at not less than  
 14 ninety-eight per cent (98%) of par at public or private  
 15 sale, or may be exchanged for other bonds on the basis of  
 16 par: Provided, that such bonds may be sold to the federal  
 17 government at private sale at not less than par and, in the  
 18 event less than all of the authorized principal amount of  
 19 such bonds is sold to the federal government, the balance  
 20 may be sold at public or private sale at not less than  
 21 ninety-eight per cent (98%) of par at an interest cost to  
 22 the municipality of not to exceed the interest cost to the  
 23 municipality of the portion of the bonds sold to the federal  
 24 government.

25 (e) In case any of the public officials of the

1 municipality whose signatures appear on any bonds or coupons  
 2 issued under this act shall cease to be such officials  
 3 before the delivery of such bonds, such signatures shall,  
 4 nevertheless, be valid and sufficient for all purposes, the  
 5 same as if such officials had remained in office until such  
 6 delivery. Any provision of any law to the contrary  
 7 notwithstanding, any bonds issued pursuant to this act shall  
 8 be fully negotiable.

9 (f) In any suit, action, or proceeding involving the  
 10 validity or enforceability of any bond issued under this act  
 11 or the security therefor, any such bond reciting in  
 12 substance that it has been issued by the municipality in  
 13 connection with an urban renewal project, as herein defined,  
 14 shall be conclusively deemed to have been issued for such  
 15 purpose and such project shall be conclusively deemed to  
 16 have been planned, located, and carried out in accordance  
 17 with the provisions of this act.

18 ~~(G) Bonds issued hereunder for which A tax increments~~  
 19 ~~INCREMENT are IS pledged pursuant to 11-3921 shall BE~~  
 20 ~~DESIGNED TO mature not later than 25 years from their date~~  
 21 ~~of issue and shall mature in such years and amounts that the~~  
 22 ~~principal and interest due on the bonds in each year does~~  
 23 ~~SHALL not exceed the ESTIMATED tax increments INCREMENT and~~  
 24 ~~other ESTIMATED revenues, including proceeds of the bonds~~  
 25 ~~available for payment of interest thereon, pledged to their~~

1 ~~payment to be received in such year, as estimated by the~~ THE  
 2 ~~governing body in the resolution OR ORDINANCE~~ authorizing  
 3 ~~the bonds SHALL DETERMINE THE ESTIMATED TAX INCREMENT AND~~  
 4 ~~OTHER REVENUES, IF ANY, FOR EACH YEAR THE BONDS ARE TO BE~~  
 5 ~~OUTSTANDING. In calculating the cost under 11-3921(5) for~~  
 6 ~~which the bonds are issued, the municipality may include an~~  
 7 ~~amount sufficient to pay interest on the bonds prior to~~  
 8 ~~receipt of tax increments INCREMENT pledged and sufficient~~  
 9 ~~for the payment thereof, AND TO FUND ANY RESERVE FUND IN~~  
 10 ~~RESPECT OF THE BONDS."~~

11 Section 2. Section 11-3921, R.C.M. 1947, is amended to  
 12 read as follows:

13 "11-3921. ~~Allocation of taxes~~ Tax increment financing.  
 14 (1) Any urban renewal plan, as defined in section 11-3901,  
 15 may contain a provision or be amended to contain a provision  
 16 ~~providing that taxes levied on taxable property in an urban~~  
 17 ~~renewal area each year by or for the benefit of the state,~~  
 18 ~~any city, county, or other political subdivisions for which~~  
 19 ~~taxes are levied, (hereafter referred to as taxing bodies)~~  
 20 ~~shall be allocated, after the effective date of such~~  
 21 ~~provision as provided in subsections (3) and (4) of this~~  
 22 ~~section for the segregation and application of tax~~  
 23 ~~increment, as provided in this section, EXCEPT THAT TAXES~~  
 24 ~~FOR THE PAYMENT OF ALL BONDS OF EACH TAXING BODY MUST BE~~  
 25 ~~LEVIED AGAINST ALL TAXABLE PROPERTY WITHIN THE TAXING BODY~~

1 ~~WITHOUT LIMITATION BY THE PROVISIONS OF THIS SECTION.~~

2 ~~(2) For the purposes of this section, (a) "prior~~  
 3 ~~assessed value" means the assessed value of the taxable~~  
 4 ~~property in the urban renewal area as shown on the~~  
 5 ~~assessment roll last equalized prior to the effective date~~  
 6 ~~of the urban renewal plan, notwithstanding the provisions of~~  
 7 ~~this act, any increase resulting from a comprehensive~~  
 8 ~~revaluation of all property within the county may be applied~~  
 9 ~~to the property for the purpose of determining the "prior~~  
 10 ~~assessed value";~~

11 ~~(b) the word "taxes" includes, but is not limited to,~~  
 12 ~~all levies on an ad valorem basis upon land or real~~  
 13 ~~property;~~

14 ~~(3) The portion of taxes produced by levies for a~~  
 15 ~~taxing body upon the total sum of the prior assessed value~~  
 16 ~~of the taxable property in the urban renewal area shall be~~  
 17 ~~allocated and paid into the funds of the taxing body like~~  
 18 ~~taxes paid by or for the taxing body on all other property~~  
 19 ~~for the purpose of allocating taxes levied by a taxing body~~  
 20 ~~that did not include the urban renewal area on the effective~~  
 21 ~~date of the provision allocating the taxes but to which the~~  
 22 ~~urban renewal area has since been annexed or otherwise~~  
 23 ~~included, the assessment roll of the county last equalized~~  
 24 ~~prior to the effective date of the provision shall be used~~  
 25 ~~in determining the prior assessed value;~~

1           (4) The portion of taxes levied by such taxing body  
 2 each year in excess of the amount levied under subsection  
 3 (3) shall be paid by the county treasurer into a special  
 4 fund held by the city treasurer to pay the principal and  
 5 interest on bonds issued under authority of section 11-3910,  
 6 except that taxes for the payment of all bonds and interest  
 7 of each taxing body must be levied against all taxable  
 8 property within the taxing body without limitation by the  
 9 provisions of this subsection. Until the actual assessed  
 10 valuation of all property in the urban renewal area exceeds  
 11 the prior assessed value of all taxable property within such  
 12 area, the actual assessed value of all property shall be  
 13 used for taxation purposes.

14           (5) The portion of taxes allocated in subsection (4)  
 15 above and the special fund into which they are paid, may be  
 16 pledged by a municipality for the payment of the principal  
 17 and interest on bonds issued under the authority of section  
 18 11-3910 or bonded indebtedness incurred by a municipality  
 19 to refinance in whole or in part the urban renewal projects.  
 20 Prior to the sale of any bonds, there shall be (a) an  
 21 election under sections 11-2308 and 11-2309 approving such  
 22 sale or (b) a petition for the sale signed by the owners of  
 23 records of at least fifty-one percent (51%) of the land  
 24 within the urban renewal districts.

25           (6) After all bonds and interest have been paid, all

1 monies received from taxes upon property within the urban  
 2 renewal area shall be allocated as taxes on all other  
 3 property.

4           (4) For purposes of this section, the following  
 5 definitions apply unless otherwise provided or indicated by  
 6 the context:

7           (a) "Original taxable value" means the taxable value  
 8 of all taxable property within an urban renewal area as  
 9 calculated from the assessment roll last equalized prior to  
 10 the effective date of a tax increment financing provision.

11           (b) "Actual taxable value" means the taxable value of  
 12 all taxable property within an urban renewal area as  
 13 calculated from the assessment roll last equalized.

14           (c) "Incremental taxable value" means the amount, if  
 15 any, by which the actual taxable value exceeds the original  
 16 taxable value of all taxable property within an urban  
 17 renewal area.

18           (d) "Tax increment" means the collections realized  
 19 from extending the tax levies, expressed in mills, of all  
 20 taxing bodies in which the urban renewal area or a part  
 21 thereof is located against the incremental taxable value.

22           (E) "TAX INCREMENT PROVISION" MEANS A PROVISION FOR  
 23 THE SEGREGATION AND APPLICATION OF TAX INCREMENT AS  
 24 AUTHORIZED BY THIS SECTION.

25           (F) "Taxes" mean all taxes levied by a taxing body

1 against property on an ad valorem basis.  
 2 ~~fff(6)~~ "Taxing body" means any city, town, county,  
 3 SCHOOL DISTRICT, or other political subdivision or  
 4 governmental unit of the state, INCLUDING THE STATE, which  
 5 levies taxes against property within the urban renewal area.  
 6 (3) The clerk of the municipality shall file a  
 7 certified copy of the EACH urban renewal plan or amendment  
 8 thereto ~~setting forth the provision for the segregation and~~  
 9 ~~application of tax increments~~ CONTAINING A TAX INCREMENT  
 10 PROVISION with the state, county or city officers  
 11 responsible for assessing and determining the taxable value  
 12 of taxable property of ~~taxing bodies~~ within which the urban  
 13 renewal area or a ANY part thereof is located. A certified  
 14 copy of the plan or amendment shall also be filed with the  
 15 clerk OR OTHER APPROPRIATE OFFICER of ~~all~~ EACH OF the  
 16 affected taxing bodies. The officer or officers responsible  
 17 for assessing and determining the taxable value of the  
 18 taxable property located within the urban renewal area  
 19 shall, immediately upon receipt of the TAX INCREMENT  
 20 provision ~~for the segregation and application of tax~~  
 21 ~~increments~~ AND EACH YEAR HEREAFTER, calculate and certify  
 22 ~~separately~~ to each THE MUNICIPALITY AND TO ANY OTHER affected  
 23 taxing body the original, ACTUAL, AND INCREMENTAL taxable  
 24 value of such property, ~~each year thereafter the officers~~  
 25 ~~shall calculate and certify to the affected taxing bodies~~

1 ~~the actual taxable value and the incremental taxable value~~  
 2 ~~of the taxable property located within the urban renewal~~  
 3 ~~area~~  
 4 (4) Mill rates of taxing bodies for taxes levied after  
 5 the effective date of the TAX INCREMENT provision ~~for the~~  
 6 ~~segregation and application of tax increments~~ shall be  
 7 calculated on the basis of the sum of the taxable value, as  
 8 shown by the last equalized assessment roll, of all taxable  
 9 property located outside the urban renewal area and the  
 10 original taxable value of all taxable property located  
 11 within the urban renewal area. The mill rate so determined  
 12 shall be extended LEVIED against the sum of the ACTUAL  
 13 taxable values ~~as shown by the last equalized assessment~~  
 14 ~~roll~~ of all taxable property located WITHIN AS WELL AS  
 15 outside the urban renewal area ~~and the actual taxable value~~  
 16 ~~of all taxable property located within the urban renewal~~  
 17 ~~area.~~ The tax increment, if any, received in each year from  
 18 the extension LEVY of the combined mill rates of all the  
 19 affected taxing bodies against the incremental taxable value  
 20 WITHIN THE URBAN RENEWAL AREA shall be paid to the INIQ A  
 21 SPECIAL FUND HELD BY THE TREASURER OF THE municipality and  
 22 used as provided in this section. The balance of the taxes  
 23 collected in each year shall be paid to each of the taxing  
 24 bodies as otherwise provided by law.  
 25 (5) The tax increments may be used by the municipality

1 to pay ~~costs~~ of THE FOLLOWING COSTS OF OR INCURRED IN  
 2 CONNECTION WITH AN URBAN RENEWAL PROJECT: land acquisition;  
 3 demolition and removal of structures; relocation of  
 4 occupants; and the acquisition, construction, and  
 5 improvement of streets, curbs, gutters, sidewalks,  
 6 pedestrian malls, alleys, parking lots and ramps ~~OFF-STREET~~  
 7 PARKING FACILITIES, sewers, waterlines, waterways, public  
 8 buildings, and other public improvements authorized by Title  
 9 11, chapter 22, AND ITEMS OF PERSONAL PROPERTY TO BE USED IN  
 10 CONNECTION WITH IMPROVEMENTS FOR WHICH THE FOREGOING COSTS  
 11 MAY BE INCURRED; or THE TAX INCREMENT may be pledged to the  
 12 payment of the principal OF PREMIUMS, IF ANY, and interest  
 13 on bonds which the municipality may issue for such purposes  
 14 pursuant to 11-3910 FOR THE PURPOSE OF PROVIDING BONDS TO  
 15 PAY SUCH COSTS. The municipality may also enter into  
 16 agreements with the other affected taxing bodies to remit to  
 17 such taxing bodies that ANY portion of the annual tax  
 18 increment not currently required for the payment of such  
 19 costs or pledged to the payment of the principal OF  
 20 PREMIUMS, IF ANY, and interest on such bonds.

21 (6) At the time of adoption of a TAX INCREMENT  
 22 provision for ~~the segregation and application of tax~~  
 23 ~~increments~~ or at any time subsequent thereto, the governing  
 24 body of the municipality may provide that only a portion of  
 25 the TAX INCREMENT FROM THE incremental taxable value may

1 shall be segregated as provided in subsections (3) and (4)  
 2 of this section. The portion so determined shall be  
 3 certified REPORTED by the clerk to the officers and taxing  
 4 bodies to which the INCREMENT provision for ~~segregation and~~  
 5 ~~application of tax increments~~ is certified REPORTED.  
 6 Hereafter, in determining the mill rates of affected taxing  
 7 bodies, the taxable values against which the mill rates are  
 8 extended LEVIED, and the tax increment to be paid to the  
 9 municipality, the original taxable value shall be increased  
 10 and the incremental taxable value shall be decreased.

11 (7) The TAX INCREMENT provision for ~~segregation and~~  
 12 ~~application of tax increments within an urban renewal area~~  
 13 shall terminate upon the 10th year following its adoption or  
 14 upon the payment OR PROVISION FOR PAYMENT in full or  
 15 discharge of all bonds FOR WHICH THE TAX INCREMENT HAS BEEN  
 16 PLEDGED and the interest thereon for which the tax increment  
 17 has been pledged, whichever last occurs. ~~Unless otherwise~~  
 18 ~~provided by agreement with other taxing bodies, any tax~~  
 19 ~~increments remaining~~ ANY AMOUNTS REMAINING IN THE SPECIAL  
 20 FUND OR ANY RESERVE FUND after termination of the TAX  
 21 INCREMENT provision for ~~segregation and application of tax~~  
 22 ~~increments~~ shall be available for general purposes of the  
 23 municipality DISTRIBUTED AMONG THE VARIOUS TAXING BODIES IN  
 24 PROPORTION TO THEIR PROPERTY TAX REVENUES FROM THE DISTRICT.  
 25 AFTER TERMINATION OF THE TAX INCREMENT PROVISION, ALL TAXES

1 ~~SHALL BE LEVIED UPON THE ACTUAL TAXABLE VALUE OF THE TAXABLE~~  
2 ~~PROPERTY IN THE URBAN RENEWAL AREA, AND SHALL BE PAID INTO~~  
3 ~~THE FUNDS OF THE RESPECTIVE TAXING BODIES."~~

4 Section 3. Effective date and transition. This act is  
5 effective on its passage and approval. Any municipality  
6 which adopted a provision for the allocation of taxes under  
7 11-3921 prior to the effective date of this act may  
8 implement and carry out such provision under this act.

9 Section 4. Repealer. Sections 11-3922, 11-3923,  
10 11-3924, and 11-3925, R.C.M. 1947, are repealed.

-End-

March 22, 1977

STANDING COMMITTEE REPORT  
Senate Committee on Taxation

That House Bill No. 595 be amended as follows:

1. Amend page 13, section 2, line 3.

Following: "BODIES."

Insert: "No bonds with tax increment provisions for the repayment thereof may be issued subsequent to 10 years after the effective date of this act."

March 25, 1977

SENATE  
COMMITTEE OF THE WHOLE

That House Bill No. 595 be amended as follows:

1. Amend page 5, section 2, line 24.

Following: "BODY"

Insert: "other than tax increment bonds authorized in this chapter"

2. Amend page 6, section 2, line 1.

Following: "SECTION."

Insert: "Taxes for the payment of tax increment bonds must be levied only against the taxable property within the urban renewal area."

1 HOUSE BILL NO. 595

2 INTRODUCED BY FAGG, RAMIREZ, PORTER,

3 MENAHAN, HARPER, FABREGA, WILLIAMS, HUENNEKENS

4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO URBAN  
 6 RENEWAL PROJECTS AND AUTHORIZING MEANS OF FINANCING COSTS  
 7 THEREOF THROUGH ISSUANCE OF BONDS AND SEGREGATION AND  
 8 APPLICATION OF TAX INCREMENT; AMENDING SECTIONS ~~79-3910 AND~~  
 9 ~~79-3921, R.C.M. 1947; REPEALING SECTIONS --79-3922, --79-3923,~~  
 10 ~~79-3924, --AND 79-3925, R.C.M. 1947; AND PROVIDING AN 11-3910~~  
 11 ~~AND 11-3921, R.C.M. 1947; REPEALING SECTIONS 11-3922,~~  
 12 ~~11-3923, 11-3924, AND 11-3925, R.C.M. 1947; AND PROVIDING AN~~  
 13 IMMEDIATE EFFECTIVE DATE."

14  
 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 Section 1. Section 11-3910, R.C.M. 1947, is amended to  
 17 read as follows:

18 "11-3910. Issuance of bonds. (a) A municipality shall  
 19 have the power to issue bonds from time to time in its  
 20 discretion to finance the undertaking of any urban renewal  
 21 project under this act, including, without limiting the  
 22 generality thereof, the payment of principal and interest  
 23 upon any advances for surveys and plans for urban renewal  
 24 projects, and shall also have power to issue refunding bonds  
 25 for the payment or retirement of such bonds previously

1 issued by it. Such bonds shall not pledge the general credit  
 2 of the municipality and shall be made payable, as to both  
 3 principal and interest, solely from the income, proceeds,  
 4 revenues, and funds of the municipality derived from, or  
 5 held in connection with, its undertaking and carrying out of  
 6 urban renewal projects under this act, including the tax  
 7 increments INCREMENT received and pledged by the  
 8 municipality pursuant to 11-3921; provided, however, that  
 9 payment of such bonds, both as to principal and interest,  
 10 may be further secured by a pledge of any loan, grant, or  
 11 contribution from the federal government or other source, in  
 12 aid of any urban renewal projects of the municipality under  
 13 this act.

14 (b) Bonds issued under this section shall not  
 15 constitute an indebtedness within the meaning of any  
 16 constitutional or statutory debt limitation or restriction,  
 17 and shall be subject only to the provisions of the Uniform  
 18 Commercial Code and the limitations of this chapter. Bonds  
 19 issued under the provisions of this act are declared to be  
 20 issued for an essential public and governmental purpose,  
 21 and, together with interest thereon and income therefrom,  
 22 shall be exempted from all taxes.

23 (c) Bonds issued under this section shall be  
 24 authorized by resolution or ordinance of the local governing  
 25 body and may be issued in one or more series and shall bear

1 such date or dates, be payable upon demand or mature at such  
 2 time or times, bear interest at such rate or rates not  
 3 exceeding 9% a year, be in such denomination or  
 4 denominations, be in such form either coupon or registered,  
 5 carry such conversion or registration privileges, have such  
 6 rank or priority, be executed in such manner, be payable in  
 7 such medium of payment, at such place or places, and be  
 8 subject to such terms of redemption (with or without  
 9 premium), be secured in such manner, and have such other  
 10 characteristics, as may be provided by such resolution,  
 11 ORDINANCE, or trust indenture or mortgage issued AUTHORIZED  
 12 pursuant thereto.

13 (d) Such bonds may be sold at not less than  
 14 ninety-eight per cent (98%) of par at public or private  
 15 sale, or may be exchanged for other bonds on the basis of  
 16 par: Provided, that such bonds may be sold to the federal  
 17 government at private sale at not less than par and, in the  
 18 event less than all of the authorized principal amount of  
 19 such bonds is sold to the federal government, the balance  
 20 may be sold at public or private sale at not less than  
 21 ninety-eight per cent (98%) of par at an interest cost to  
 22 the municipality of not to exceed the interest cost to the  
 23 municipality of the portion of the bonds sold to the federal  
 24 government.

25 (e) In case any of the public officials of the

1 municipality whose signatures appear on any bonds or coupons  
 2 issued under this act shall cease to be such officials  
 3 before the delivery of such bonds, such signatures shall,  
 4 nevertheless, be valid and sufficient for all purposes, the  
 5 same as if such officials had remained in office until such  
 6 delivery. Any provision of any law to the contrary  
 7 notwithstanding, any bonds issued pursuant to this act shall  
 8 be fully negotiable.

9 (f) In any suit, action, or proceeding involving the  
 10 validity or enforceability of any bond issued under this act  
 11 or the security therefor, any such bond reciting in  
 12 substance that it has been issued by the municipality in  
 13 connection with an urban renewal project, as herein defined,  
 14 shall be conclusively deemed to have been issued for such  
 15 purpose and such project shall be conclusively deemed to  
 16 have been planned, located, and carried out in accordance  
 17 with the provisions of this act.

18 (g) Bonds issued hereunder for which A tax increments  
 19 INCREMENT are IS pledged pursuant to 11-3921 shall BE  
 20 DESIGNED TO mature not later than 25 years from their date  
 21 of issue and shall mature in such years and amounts that the  
 22 principal and interest due on the bonds in each year does  
 23 SHALL not exceed the ESTIMATED tax increments INCREMENT and  
 24 other ESTIMATED revenues, including proceeds of the bonds  
 25 available for payment of interest thereon, pledged to their

1 ~~payment to be received in such year, as estimated by the~~ THE  
 2 ~~governing body in the resolution OR ORDINANCE authorizing~~  
 3 ~~the bonds SHALL DETERMINE THE ESTIMATED TAX INCREMENT AND~~  
 4 ~~OTHER REVENUES, IF ANY, FOR EACH YEAR THE BONDS ARE TO BE~~  
 5 ~~OUTSTANDING. In calculating the cost under 11-3921(5) for~~  
 6 ~~which the bonds are issued, the municipality may include an~~  
 7 ~~amount sufficient to pay interest on the bonds prior to~~  
 8 ~~receipt of tax increments INCREMENT pledged and sufficient~~  
 9 ~~for the payment thereof, AND TO FUND ANY RESERVE FUND IN~~  
 10 ~~RESPECT OF THE BONDS."~~

11 Section 2. Section 11-3921, R.C.M. 1947, is amended to  
 12 read as follows:

13 "11-3921. Allocation of taxes ~~tax increment financing.~~  
 14 (1) Any urban renewal plan, as defined in section 11-3901,  
 15 may contain a provision or be amended to contain a provision  
 16 ~~providing that taxes levied on taxable property in an urban~~  
 17 ~~renewal area each year by or for the benefit of the state,~~  
 18 ~~any city, county, or other political subdivisions for which~~  
 19 ~~taxes are levied, (hereafter referred to as taxing bodies)~~  
 20 ~~shall be allocated, after the effective date of such~~  
 21 ~~provision as provided in subsections (3) and (4) of this~~  
 22 ~~section for the segregation and application of tax~~  
 23 ~~increments, as provided in this section, EXCEPT THAT TAXES~~  
 24 ~~FOR THE PAYMENT OF ALL BONDS OF EACH TAXING BODY OTHER THAN~~  
 25 ~~TAX INCREMENT BONDS AUTHORIZED IN THIS CHAPTER~~ must be

1 levied against all taxable property within the taxing body  
 2 without limitation by the provisions of this section. TAXES  
 3 FOR THE PAYMENT OF TAX INCREMENT BONDS MUST BE LEVIED ONLY  
 4 AGAINST THE TAXABLE PROPERTY WITHIN THE URBAN RENEWAL AREA.

5 (2) ~~For the purposes of this section, (a) "prior~~  
 6 ~~assessed value" means the assessed value of the taxable~~  
 7 ~~property in the urban renewal area as shown on the~~  
 8 ~~assessment roll last equalized prior to the effective date~~  
 9 ~~of the urban renewal plan; notwithstanding the provisions of~~  
 10 ~~this act, any increase resulting from a comprehensive~~  
 11 ~~revaluation of all property within the county may be applied~~  
 12 ~~to the property for the purpose of determining the "prior~~  
 13 ~~assessed value";~~

14 (b) ~~the word "taxes" includes, but is not limited to,~~  
 15 ~~all levies on an ad valorem basis upon land or real~~  
 16 ~~property;~~

17 (3) ~~The portion of taxes produced by levies for a~~  
 18 ~~taxing body upon the total sum of the prior assessed value~~  
 19 ~~of the taxable property in the urban renewal area shall be~~  
 20 ~~allocated and paid into the funds of the taxing body like~~  
 21 ~~taxes paid by or for the taxing body on all other property,~~  
 22 ~~for the purpose of allocating taxes levied by a taxing body~~  
 23 ~~that did not include the urban renewal area on the effective~~  
 24 ~~date of the provision allocating the taxes but to which the~~  
 25 ~~urban renewal area has since been annexed or otherwise~~

1 included the assessment roll of the county last equalized  
 2 prior to the effective date of the provision shall be used  
 3 in determining the prior assessed values.

4 (4) The portion of taxes levied by such taxing body  
 5 each year in excess of the amount levied under subsection  
 6 (3) shall be paid by the county treasurer into a special  
 7 fund held by the city treasurer to pay the principal and  
 8 interest on bonds issued under authority of section 11-3910,  
 9 except that taxes for the payment of all bonds and interest  
 10 of each taxing body must be levied against all taxable  
 11 property within the taxing body without limitation by the  
 12 provisions of this subsection. Until the actual assessed  
 13 valuation of all property in the urban renewal area exceeds  
 14 the prior assessed value of all taxable property within such  
 15 area, the actual assessed value of all property shall be  
 16 used for taxation purposes.

17 (5) The portion of taxes allocated in subsection (4)  
 18 above and the special fund into which they are paid may be  
 19 pledged by a municipality for the payment of the principal  
 20 and interest on bonds issued under the authority of section  
 21 11-3910 or bonded indebtedness incurred by a municipality  
 22 to refinance in whole or in part the urban renewal project.  
 23 Prior to the sale of any bonds, there shall be (a) an  
 24 election under sections 11-2308 and 11-2309 approving such  
 25 sale, or (b) a petition for the sale signed by the owners of

1 record of at least fifty-one percent (51%) of the land  
 2 within the urban renewal districts.

3 (6) After all bonds and interest have been paid, all  
 4 monies received from taxes upon property within the urban  
 5 renewal area shall be allocated as taxes on all other  
 6 property.

7 (2) For purposes of this section the following  
 8 definitions apply unless otherwise provided or indicated by  
 9 the context:

10 (a) "Original taxable value" means the taxable value  
 11 of all taxable property within an urban renewal area as  
 12 calculated from the assessment roll last equalized prior to  
 13 the effective date of a tax increment financing provision.

14 (b) "Actual taxable value" means the taxable value of  
 15 all taxable property within an urban renewal area as  
 16 calculated from the assessment roll last equalized.

17 (c) "Incremental taxable value" means the amount, if  
 18 any, by which the actual taxable value exceeds the original  
 19 taxable value of all taxable property within an urban  
 20 renewal area.

21 (d) "Tax increment" means the collections realized  
 22 from extending the tax levies, expressed in mills, of all  
 23 taxing bodies in which the urban renewal area or a part  
 24 thereof is located against the incremental taxable value.

25 (E) "TAX INCREMENT PROVISION" MEANS A PROVISION FOR

1 THE SEGREGATION AND APPLICATION OF TAX INCREMENT AS  
 2 AUTHORIZED BY THIS SECTION.

3 ~~fff~~(f) "Taxes" mean all taxes levied by a taxing body  
 4 against property on an ad valorem basis.

5 ~~fff~~(g) "Taxing body" means any city, town, county,  
 6 SCHOOL DISTRICT, or other political subdivision or  
 7 governmental unit of the state, INCLUDING THE STATE, which  
 8 levies taxes against property within the urban renewal area.

9 (3) The clerk of the municipality shall file a  
 10 certified copy of the EACH urban renewal plan or amendment  
 11 thereto ~~setting forth the provision for the segregation and~~  
 12 ~~application of tax increments~~ CONTAINING A TAX INCREMENT  
 13 PROVISION with the state, county or city officers  
 14 responsible for assessing and determining the taxable value  
 15 of taxable property of ~~taxing bodies~~ within which the urban  
 16 renewal area or a ANY part thereof is ~~located~~. A certified  
 17 copy of the plan or amendment shall also be filed with the  
 18 clerk OR OTHER APPROPRIATE OFFICER of ~~all~~ EACH OF the  
 19 affected taxing bodies. The officer or officers responsible  
 20 for assessing and determining the taxable value of the  
 21 taxable property located within the urban renewal area  
 22 shall, immediately upon receipt of the TAX INCREMENT  
 23 provision ~~for the segregation and application of tax~~  
 24 ~~increments~~ AND EACH YEAR THEREAFTER, calculate and certify  
 25 REPORT to ~~each~~ THE MUNICIPALITY AND TO ANY OTHER affected

1 taxing body the original, ACTUAL, AND INCREMENTAL taxable  
 2 value of such property. ~~Each year thereafter the officers~~  
 3 ~~shall calculate and certify to the affected taxing bodies~~  
 4 ~~the actual taxable value and the incremental taxable value~~  
 5 ~~of the taxable property located within the urban renewal~~  
 6 ~~area~~

7 (4) Mill rates of taxing bodies for taxes levied after  
 8 the effective date of the TAX INCREMENT provision ~~for the~~  
 9 ~~segregation and application of tax increments~~ shall be  
 10 calculated on the basis of the sum of the taxable value, as  
 11 shown by the last equalized assessment roll, of all taxable  
 12 property located outside the urban renewal area and the  
 13 original taxable value of all taxable property located  
 14 within the urban renewal area. The mill rate so determined  
 15 shall be extended LEVIED against the sum of the ACTUAL  
 16 taxable values ~~as shown by the last equalized assessment~~  
 17 ~~roll~~ of all taxable property located WITHIN AS WELL AS  
 18 outside the urban renewal area ~~and the actual taxable value~~  
 19 ~~of all taxable property located within the urban renewal~~  
 20 ~~area~~. The tax increment, if any, received in each year from  
 21 the extension LEVY of the combined mill rates of all the  
 22 affected taxing bodies against the incremental taxable value  
 23 WITHIN THE URBAN RENEWAL AREA shall be paid ~~to the~~ INTO A  
 24 SPECIAL FUND HELD BY THE TREASURER OF THE municipality and  
 25 used as provided in this section. The balance of the taxes

1 collected in each year shall be paid to each of the taxing  
 2 bodies as otherwise provided by law.

3 (5) The tax increments may be used by the municipality  
 4 to pay ~~costs~~ of THE FOLLOWING COSTS OF OR INCURRED IN  
 5 CONNECTION WITH AN URBAN RENEWAL PROJECT: land acquisition;  
 6 demolition and removal of structures; relocation of  
 7 occupants; and the acquisition, construction, and  
 8 improvement of streets, curbs, gutters, sidewalks,  
 9 pedestrian malls, alleys, parking lots and ramps ~~OFF-STREET~~  
 10 PARKING FACILITIES, sewers, waterlines, waterways, public  
 11 buildings, and other public improvements authorized by Title  
 12 11, chapter 22, AND ITEMS OF PERSONAL PROPERTY TO BE USED IN  
 13 CONNECTION WITH IMPROVEMENTS FOR WHICH THE FOREGOING COSTS  
 14 MAY BE INCURRED; or THE TAX INCREMENT may be pledged to the  
 15 payment of the principal OF PREMIUMS, IF ANY, and interest  
 16 on bonds which the municipality may issue for such purposes  
 17 pursuant to 11-3910 FOR THE PURPOSE OF PROVIDING BONDS TO  
 18 PAY SUCH COSTS. The municipality may also enter into  
 19 agreements with the other affected taxing bodies to remit to  
 20 such taxing bodies that ANY portion of the annual tax  
 21 increment not currently required for the payment of such  
 22 costs or pledged to the payment of the principal OF  
 23 PREMIUMS, IF ANY, and interest on such bonds.

24 (6) At the time of adoption of a TAX INCREMENT  
 25 provision for ~~the segregation and application of tax~~

1 increments or at any time subsequent thereto, the governing  
 2 body of the municipality may provide that only a portion of  
 3 the TAX INCREMENT FROM THE incremental taxable value may  
 4 SHAL be segregated as provided in subsections (3) and (4)  
 5 of this section. The portion so determined shall be  
 6 certified REPORTED by the clerk to the officers and taxing  
 7 bodies to which the INCREMENT provision for ~~segregation and~~  
 8 application ~~of tax increments~~ is certified REPORTED.  
 9 Thereafter, in determining the mill rates of affected taxing  
 10 bodies, the taxable values against which the mill rates are  
 11 extended LEVIED, and the tax increment to be paid to the  
 12 municipality, the original taxable value shall be increased  
 13 and the incremental taxable value shall be decreased.

14 (7) The TAX INCREMENT provision for ~~segregation and~~  
 15 application ~~of tax increments within an urban renewal area~~  
 16 shall terminate upon the 10th year following its adoption or  
 17 upon the payment OR PROVISION FOR PAYMENT in full or  
 18 discharge of all bonds FOR WHICH THE TAX INCREMENT HAS BEEN  
 19 PLEDGED and the interest thereon for ~~which the tax increment~~  
 20 has been pledged, whichever last occurs. ~~Unless otherwise~~  
 21 provided ~~by agreement with other taxing bodies, any tax~~  
 22 increments remaining ANY AMOUNTS REMAINING IN THE SPECIAL  
 23 FUND OR ANY RESERVE FUND after termination of the TAX  
 24 INCREMENT provision for ~~segregation and application of tax~~  
 25 increments shall be available for ~~general purposes of the~~

1 ~~municipality~~ DISTRIBUTED AMONG THE VARIOUS TAXING BODIES IN  
2 PROPORTION TO THEIR PROPERTY TAX REVENUES FROM THE DISTRICT,  
3 AFTER TERMINATION OF THE TAX INCREMENT PROVISION, ALL TAXES  
4 SHALL BE LEVIED UPON THE ACTUAL TAXABLE VALUE OF THE TAXABLE  
5 PROPERTY IN THE URBAN RENOVATION AREA, AND SHALL BE PAID INTO  
6 THE FUNDS OF THE RESPECTIVE TAXING BODIES. NO BONDS WITH TAX  
7 INCREMENT PROVISIONS FOR THE REPAYMENT THEREOF MAY BE ISSUED  
8 SUBSEQUENT TO 10 YEARS AFTER THE EFFECTIVE DATE OF THIS  
9 ACT."

10 Section 3. Effective date and transition. This act is  
11 effective on its passage and approval. Any municipality  
12 which adopted a provision for the allocation of taxes under  
13 11-3921 prior to the effective date of this act may  
14 implement and carry out such provision under this act.

15 Section 4. Repealer. Sections 11-3922, 11-3923,  
16 11-3924, and 11-3925, R.C.M. 1947, are repealed.

-End-

HOUSE BILL NO. 595

INTRODUCED BY FAGG, RAMIREZ, PORTER,  
MENAHAN, HARPER, FABREGA, WILLIAMS, HUENNEKENS

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO URBAN  
RENEWAL PROJECTS AND AUTHORIZING MEANS OF FINANCING COSTS  
THEREOF THROUGH ISSUANCE OF BONDS AND SEGREGATION AND  
APPLICATION OF TAX INCREMENT; AMENDING SECTIONS 79-3910 AND  
79-3921, R.C.M. 1947; REPEALING SECTIONS 79-3922, 79-3923,  
79-3924 AND 79-3925, R.C.M. 1947; AND PROVIDING AN  
IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 11-3910, R.C.M. 1947, is amended to  
read as follows:

"11-3910. Issuance of bonds. (a) A municipality shall  
have the power to issue bonds from time to time in its  
discretion to finance the undertaking of any urban renewal  
project under this act, including, without limiting the  
generality thereof, the payment of principal and interest  
upon any advances for surveys and plans for urban renewal  
projects, and shall also have power to issue refunding bonds  
for the payment or retirement of such bonds previously

issued by it. Such bonds shall not pledge the general credit  
of the municipality and shall be made payable, as to both  
principal and interest, solely from the income, proceeds,  
revenues, and funds of the municipality derived from, or  
held in connection with, its undertaking and carrying out of  
urban renewal projects under this act, including the tax  
increments INCREMENT received and pledged by the  
municipality pursuant to 11-3921; provided, however, that  
payment of such bonds, both as to principal and interest,  
may be further secured by a pledge of any loan, grant, or  
contribution from the federal government or other source, in  
aid of any urban renewal projects of the municipality under  
this act.

(b) Bonds issued under this section shall not  
constitute an indebtedness within the meaning of any  
constitutional or statutory debt limitation or restriction,  
and shall be subject only to the provisions of the Uniform  
Commercial Code and the limitations of this chapter. Bonds  
issued under the provisions of this act are declared to be  
issued for an essential public and governmental purpose,  
and, together with interest thereon and income therefrom,  
shall be exempted from all taxes.

(c) Bonds issued under this section shall be  
authorized by resolution or ordinance of the local governing  
body and may be issued in one or more series and shall bear

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1 such date or dates, be payable upon demand or mature at such  
 2 time or times, bear interest at such rate or rates not  
 3 exceeding 9% a year, be in such denomination or  
 4 denominations, be in such form either coupon or registered,  
 5 carry such conversion or registration privileges, have such  
 6 rank or priority, be executed in such manner, be payable in  
 7 such medium of payment, at such place or places, and be  
 8 subject to such terms of redemption (with or without  
 9 premium), be secured in such manner, and have such other  
 10 characteristics, as may be provided by such resolution,  
 11 ORDINANCE, or trust indenture or mortgage ~~issued~~ AUTHORIZED  
 12 pursuant thereto.

13 (d) Such bonds may be sold at not less than  
 14 ninety-eight per cent (98%) of par at public or private  
 15 sale, or may be exchanged for other bonds on the basis of  
 16 par: Provided, that such bonds may be sold to the federal  
 17 government at private sale at not less than par and, in the  
 18 event less than all of the authorized principal amount of  
 19 such bonds is sold to the federal government, the balance  
 20 may be sold at public or private sale at not less than  
 21 ninety-eight per cent (98%) of par at an interest cost to  
 22 the municipality of not to exceed the interest cost to the  
 23 municipality of the portion of the bonds sold to the federal  
 24 government.

25 (e) In case any of the public officials of the

1 municipality whose signatures appear on any bonds or coupons  
 2 issued under this act shall cease to be such officials  
 3 before the delivery of such bonds, such signatures shall,  
 4 nevertheless, be valid and sufficient for all purposes, the  
 5 same as if such officials had remained in office until such  
 6 delivery. Any provision of any law to the contrary  
 7 notwithstanding, any bonds issued pursuant to this act shall  
 8 be fully negotiable.

9 (f) In any suit, action, or proceeding involving the  
 10 validity or enforceability of any bond issued under this act  
 11 or the security therefor, any such bond reciting in  
 12 substance that it has been issued by the municipality in  
 13 connection with an urban renewal project, as herein defined,  
 14 shall be conclusively deemed to have been issued for such  
 15 purpose and such project shall be conclusively deemed to  
 16 have been planned, located, and carried out in accordance  
 17 with the provisions of this act.

18 (g) Bonds issued hereunder for which A tax increments  
 19 INCREMENT are IS pledged pursuant to 11-3921 shall BE  
 20 DESIGNED TO mature not later than 25 years from their date  
 21 of issue and shall mature in such years and amounts that the  
 22 principal and interest due on the bonds in each year does  
 23 SHALL not exceed the ESTIMATED tax increments INCREMENT and  
 24 other ESTIMATED revenues, including proceeds of the bonds  
 25 available for payment of interest thereon, pledged to their

1 ~~payment to be received in such year, as estimated by the~~ THE  
 2 ~~governing body in the resolution OR ORDINANCE authorizing~~  
 3 ~~the bonds SHALL DETERMINE THE ESTIMATED TAX INCREMENT AND~~  
 4 ~~OTHER REVENUES, IF ANY, FOR EACH YEAR THE BONDS ARE TO BE~~  
 5 ~~OUTSTANDING. In calculating the cost under 11-3921(5) for~~  
 6 ~~which the bonds are issued, the municipality may include an~~  
 7 ~~amount sufficient to pay interest on the bonds prior to~~  
 8 ~~receipt of tax increments INCREMENT pledged and sufficient~~  
 9 ~~for the payment thereof, AND TO FUND ANY RESERVE FUND IN~~  
 10 ~~RESPECT OF THE BONDS."~~

11 Section 2. Section 11-3921, R.C.M. 1947, is amended to  
 12 read as follows:

13 "11-3921. Allocation of taxes tax increment financing.  
 14 (1) Any urban renewal plan, as defined in section 11-3901,  
 15 may contain a provision or be amended to contain a provision  
 16 providing that taxes levied on taxable property in an urban  
 17 renewal area each year by or for the benefit of the state or  
 18 any city, county, or other political subdivisions for which  
 19 taxes are levied (hereafter referred to as taxing bodies)  
 20 shall be allocated after the effective date of such  
 21 provision as provided in subsections (3) and (4) of this  
 22 section for the segregation and application of tax  
 23 increment, as provided in this section, ~~EXCEPT THAT,~~  
 24 PROPERTY TAXES FOR THE PAYMENT OF ALL BONDS OF EACH TAXING  
 25 BODY OTHER THAN TAX INCREMENT BONDS, AUTHORIZED IN THIS

1 ~~CHAPTER MUST BE LEVIED AGAINST ALL TAXABLE PROPERTY WITHIN~~  
 2 ~~THE TAXING BODY WITHOUT LIMITATION BY THE PROVISIONS OF THIS~~  
 3 ~~SECTION. TAXES FOR THE PAYMENT OF TAX INCREMENT BONDS MUST~~  
 4 ~~BE LEVIED ONLY AGAINST THE TAXABLE PROPERTY WITHIN THE URBAN~~  
 5 ~~RENEWAL AREA. NO PROPERTY TAXES, EXCEPT THE TAX INCREMENT~~  
 6 ~~DERIVED FROM PROPERTY WITHIN THE URBAN RENEWAL AREA, MAY BE~~  
 7 ~~APPLIED TO THE PAYMENT OF BONDS ISSUED PURSUANT TO SECTION~~  
 8 ~~11-3910 FOR WHICH A TAX INCREMENT HAS BEEN PLEDGED.~~

9 (2) ~~for the purposes of this section, (a) "prior~~  
 10 ~~assessed value" means the assessed value of the taxable~~  
 11 ~~property in the urban renewal area as shown on the~~  
 12 ~~assessment roll last equalized prior to the effective date~~  
 13 ~~of the urban renewal plan; notwithstanding the provisions of~~  
 14 ~~this act, any increase resulting from a comprehensive~~  
 15 ~~revaluation of all property within the county may be applied~~  
 16 ~~to the property for the purpose of determining the "prior~~  
 17 ~~assessed value";~~

18 (b) ~~the word "taxes" includes, but is not limited to,~~  
 19 ~~all levies on an ad valorem basis upon land or real~~  
 20 ~~property;~~

21 (3) ~~The portion of taxes produced by levies for a~~  
 22 ~~taxing body upon the total sum of the prior assessed value~~  
 23 ~~of the taxable property in the urban renewal area shall be~~  
 24 ~~allocated and paid into the funds of the taxing body like~~  
 25 ~~taxes paid by or for the taxing body on all other property;~~

1 For the purpose of allocating taxes levied by a taxing body  
 2 that did not include the urban renewal area on the effective  
 3 date of the provision allocating the taxes but to which the  
 4 urban renewal area has since been annexed or otherwise  
 5 included, the assessment roll of the county last equalized  
 6 prior to the effective date of the provision shall be used  
 7 in determining the prior assessed value.

8 (4) The portion of taxes levied by such taxing body  
 9 each year in excess of the amount levied under subsection  
 10 (3) shall be paid by the county treasurer into a special  
 11 fund held by the city treasurer to pay the principal and  
 12 interest on bonds issued under authority of section 11-3910,  
 13 except that taxes for the payment of all bonds and interest  
 14 of each taxing body must be levied against all taxable  
 15 property within the taxing body without limitation by the  
 16 provisions of this subsection. Until the actual assessed  
 17 valuation of all property in the urban renewal area exceeds  
 18 the prior assessed value of all taxable property within such  
 19 areas, the actual assessed value of all property shall be  
 20 used for taxation purposes.

21 (5) The portion of taxes allocated in subsection (4)  
 22 above and the special fund into which they are paid, may be  
 23 pledged by a municipality for the payment of the principal  
 24 and interest on bonds issued under the authority of section  
 25 11-3910, or bonded indebtedness incurred by a municipality

1 to refinance in whole or in part, the urban renewal projects  
 2 prior to the sale of any bonds, there shall be (a) an  
 3 election under sections 11-2308 and 11-2309 approving such  
 4 sale, or (b) a petition for the sale signed by the owners of  
 5 record of at least fifty-one percent (51%) of the land  
 6 within the urban renewal district.

7 (6) After all bonds and interest have been paid, all  
 8 monies received from taxes upon property within the urban  
 9 renewal area shall be allocated as taxes on all other  
 10 property.

11 (2) For purposes of this section the following  
 12 definitions apply unless otherwise provided or indicated by  
 13 the context:

14 (a) "Original taxable value" means the taxable value  
 15 of all taxable property within an urban renewal area as  
 16 calculated from the assessment roll last equalized prior to  
 17 the effective date of a tax increment financing provision.

18 (b) "Actual taxable value" means the taxable value of  
 19 all taxable property within an urban renewal area as  
 20 calculated from the assessment roll last equalized.

21 (c) "Incremental taxable value" means the amount, if  
 22 any, by which the actual taxable value exceeds the original  
 23 taxable value of all taxable property within an urban  
 24 renewal area.

25 (d) "Tax increment" means the collections realized

1 ~~from extending the tax levies, expressed in mills, of all~~  
2 ~~taxing bodies in which the urban renewal area or a part~~  
3 ~~thereof is located against the incremental taxable value.~~

4 ~~(E) "TAX INCREMENT PROVISION" MEANS A PROVISION FOR~~  
5 ~~THE SEGREGATION AND APPLICATION OF TAX INCREMENT AS~~  
6 ~~AUTHORIZED BY THIS SECTION.~~

7 ~~(f)(F) "Taxes" mean all taxes levied by a taxing body~~  
8 ~~against property on an ad valorem basis.~~

9 ~~(ff)(G) "Taxing body" means any city, town, county,~~  
10 ~~SCHOOL DISTRICT, or other political subdivision or~~  
11 ~~governmental unit of the state, INCLUDING THE STATE, which~~  
12 ~~levies taxes against property within the urban renewal area.~~

13 ~~(2) The clerk of the municipality shall file a~~  
14 ~~certified copy of the EACH urban renewal plan or amendment~~  
15 ~~thereto setting forth the provision for the segregation and~~  
16 ~~application of tax increments CONTAINING A TAX INCREMENT~~  
17 ~~PROVISION with the state, county or city officers~~  
18 ~~responsible for assessing and determining the taxable value~~  
19 ~~of taxable property of taxing bodies within which the urban~~  
20 ~~renewal area or a ANY part thereof is located. A certified~~  
21 ~~copy of the plan or amendment shall also be filed with the~~  
22 ~~clerk OR OTHER APPROPRIATE OFFICERS of ~~it~~ EACH OF the~~  
23 ~~affected taxing bodies. The officer or officers responsible~~  
24 ~~for assessing and determining the taxable value of the~~  
25 ~~taxable property located within the urban renewal area~~

1 ~~shall, immediately upon receipt of the TAX INCREMENT~~  
2 ~~provision for the segregation and application of tax~~  
3 ~~increments AND EACH YEAR THEREAFTER, calculate and certify~~  
4 ~~REPORT to each THE MUNICIPALITY AND TO ANY OTHER affected~~  
5 ~~taxing body the original, ACTUAL, AND INCREMENTAL taxable~~  
6 ~~value of such property. Each year thereafter the officers~~  
7 ~~shall calculate and certify to the affected taxing bodies~~  
8 ~~the actual taxable value and the incremental taxable value~~  
9 ~~of the taxable property located within the urban renewal~~  
10 ~~area.~~

11 ~~(4) Mill rates of taxing bodies for taxes levied after~~  
12 ~~the effective date of the TAX INCREMENT provision for the~~  
13 ~~segregation and application of tax increments shall be~~  
14 ~~calculated on the basis of the sum of the taxable value, as~~  
15 ~~shown by the last equalized assessment roll, of all taxable~~  
16 ~~property located outside the urban renewal area and the~~  
17 ~~original taxable value of all taxable property located~~  
18 ~~within the urban renewal area. The mill rate so determined~~  
19 ~~shall be extended LEVIED against the sum of the ACTUAL~~  
20 ~~taxable values as shown by the last equalized assessment~~  
21 ~~rolls of all taxable property located WITHIN AS WELL AS~~  
22 ~~outside the urban renewal area and the actual taxable value~~  
23 ~~of all taxable property located within the urban renewal~~  
24 ~~area. The tax increments, if any, received in each year from~~  
25 ~~the extension LEVY of the combined mill rates of all the~~

1 ~~affected taxing bodies against the incremental taxable value~~  
 2 ~~WITHIN THE URBAN RENEWAL AREA shall be paid to--the INTD A~~  
 3 ~~SPECIAL FUND HELD BY THE TREASURER OF THE municipality and~~  
 4 ~~used as provided in this section. The balance of the taxes~~  
 5 ~~collected in each year shall be paid to each of the taxing~~  
 6 ~~bodies as otherwise provided by law.~~

7 ~~(5) The tax increments may be used by the municipality~~  
 8 ~~to pay costs of THE FOLLOWING COSTS OF OR INCURRED IN~~  
 9 ~~CONNECTION WITH AN URBAN RENEWAL PROJECT: land acquisition;~~  
 10 ~~demolition and removal of structures; relocation of~~  
 11 ~~occupants; and the acquisition, construction, and~~  
 12 ~~improvement of streets, curbs, gutters, sidewalks,~~  
 13 ~~pedestrian malls, alleys, parking lots and ramps OFF-STREET~~  
 14 ~~PARKING FACILITIES, sewers, waterlines, waterways, public~~  
 15 ~~buildings, and other public improvements authorized by Title~~  
 16 ~~11, chapter 22, AND ITEMS OF PERSONAL PROPERTY TO BE USED IN~~  
 17 ~~CONNECTION WITH IMPROVEMENTS FOR WHICH THE FOREGOING COSTS~~  
 18 ~~MAY BE INCURRED; or THE TAX INCREMENT may be pledged to the~~  
 19 ~~payment of the principal OF PREMIUMS, IF ANY, and interest~~  
 20 ~~on bonds which the municipality may issue for such purposes~~  
 21 ~~pursuant to 11-3910 FOR THE PURPOSE OF PROVIDING BONDS FUNDS~~  
 22 ~~TO PAY SUCH COSTS. The municipality may also enter into~~  
 23 ~~agreements with the other affected taxing bodies to remit to~~  
 24 ~~such taxing bodies that ANY portion of the annual tax~~  
 25 ~~increment not currently required for the payment of such~~

1 ~~costs or pledged to the payment of the principal OF~~  
 2 ~~PREMIUMS, IF ANY, and interest on such bonds.~~

3 ~~(6) At the time of adoption of a TAX INCREMENT~~  
 4 ~~provision for--the--segregation--and--application--of--tax~~  
 5 ~~increments or at any time subsequent thereto, the governing~~  
 6 ~~body of the municipality may provide that only a portion of~~  
 7 ~~the TAX INCREMENT FROM THE incremental taxable value may~~  
 8 ~~SHALL be segregated as provided in subsections (3) and (4)~~  
 9 ~~of this section. The portion so determined shall be~~  
 10 ~~certified REPORTED by the clerk to the officers and taxing~~  
 11 ~~bodies to which the INCREMENT provision for--segregation--and~~  
 12 ~~application--of--tax--increments is certified REPORTED.~~  
 13 ~~Thereafter, in determining the mill rates of affected taxing~~  
 14 ~~bodies, the taxable values against which the mill rates are~~  
 15 ~~extended LEVIED, and the tax increment to be paid to the~~  
 16 ~~municipality, the original taxable value shall be increased~~  
 17 ~~and the incremental taxable value shall be decreased.~~

18 ~~(7) The TAX INCREMENT provision for--segregation--and~~  
 19 ~~application--of--tax--increments--within--an--urban--renewal--area~~  
 20 ~~shall terminate upon the 10th year following its adoption or~~  
 21 ~~upon the payment OR PROVISION FOR PAYMENT in full or~~  
 22 ~~discharge of all bonds FOR WHICH THE TAX INCREMENT HAS BEEN~~  
 23 ~~PLEGGED and the interest thereon for--which--the--tax--increment~~  
 24 ~~has--been--pledged, whichever last occurs, Unless--otherwise~~  
 25 ~~provided--by--agreement--with--other--taxing--bodies, any tax~~

1 ~~increments-remaining~~ ANY AMOUNTS REMAINING IN THE SPECIAL  
2 FUND OR ANY RESERVE FUND after termination of the TAX  
3 INCREMENT ~~provision for-segregation-and-application-of-tax~~  
4 ~~increments~~ shall be ~~available-for-general-purposes-of-the~~  
5 ~~municipality~~ DISTRIBUTED AMONG THE VARIOUS TAXING BODIES IN  
6 PROPORTION TO THEIR PROPERTY TAX REVENUES FROM THE DISTRICT.  
7 AFTER TERMINATION OF THE TAX INCREMENT PROVISION, ALL TAXES  
8 SHALL BE LEVIED UPON THE ACTUAL TAXABLE VALUE OF THE TAXABLE  
9 PROPERTY IN THE URBAN RENEWAL AREA, AND SHALL BE PAID INTO  
10 THE FUNDS OF THE RESPECTIVE TAXING BODIES. NO BONDS WITH TAX  
11 INCREMENT PROVISIONS FOR THE REPAYMENT THEREOF MAY BE ISSUED  
12 SUBSEQUENT TO 10 YEARS AFTER THE EFFECTIVE DATE OF THIS  
13 ACT."

14 Section 3. Effective date and transition. This act is  
15 effective on its passage and approval. Any municipality  
16 which adopted a provision for the allocation of taxes under  
17 11-3921 prior to the effective date of this act may  
18 implement and carry out such provision under this act.

19 Section 4. Repealer. Sections 11-3922, 11-3923,  
20 11-3924, and 11-3925, R.C.M. 1947, are repealed.

-End-