

HOUSE BILL NO. 339

INTRODUCED BY RAMIREZ, MAZUREK, ADDY,
REHBERG, HANNAH, FRITZ, HARPER, EUDAILY

IN THE HOUSE

January 22, 1985	Introduced and referred to Committee on Taxation.
January 24, 1985	Fiscal Note requested.
January 30, 1985	Fiscal Note returned.
February 8, 1985	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 9, 1985	Second reading, do pass as amended.
February 11, 1985	Correctly engrossed.
February 12, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 13, 1985	Introduced and referred to Committee on Taxation.
March 14, 1985	Committee recommend bill be concurrred in. Report adopted.
March 21, 1985	Second reading, concurrred in.
March 23, 1985	Third reading, concurrred in. Ayes, 49; Noes, 0. Returned to House.

IN THE HOUSE

March 25, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 339
 2 INTRODUCED BY Ramon Chavez Stilly Redberg
 3 Barbara J. Galt Steph E. Eddy

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND TERMINATION
 5 PROVISIONS FOR TAX INCREMENT FINANCING BY ALLOWING TAX
 6 INCREMENT PROJECTS ADOPTED PRIOR TO 1980 TO HAVE A MINIMUM
 7 LIFE OF 12 YEARS INSTEAD OF 10 YEARS AND TO DELETE THE
 8 REQUIREMENT THAT NO FURTHER BONDING MAY OCCUR AFTER APRIL
 9 29, 1987; AMENDING SECTION 7-15-4292, MCA."

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

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

13 "7-15-4292. Termination of tax increment financing.

14 (1) The tax increment provision shall terminate upon the
 15 later of:

16 (a) the 10th year following its adoption or, if the
 17 tax increment provision was adopted prior to January 1,
 18 1980, upon the 12th year following adoption; or

19 (b) upon the payment or provision for payment in full
 20 or discharge of all bonds for which the tax increment has
 21 been pledged and the interest thereon,--whichever--last
 22 occurs.

23 (2) Any amounts remaining in the special fund or any
 24 reserve fund after termination of the tax increment
 25 provision shall be distributed among the various taxing

1 bodies in proportion to their property tax revenues from the
 2 district.

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

7 (4) No bonds with tax increment provisions for the
 8 repayment thereof may be issued subsequent to 10 years after
 9 April 29, 1977, the adoption of projects, or if the projects
 10 were adopted prior to January 1, 1980, 12 years after the
 11 adoption of projects."

-End-



STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 224-85

Form BD-15

In compliance with a written request received January 24, 19 85, there is hereby submitted a Fiscal Note for House Bill 339 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

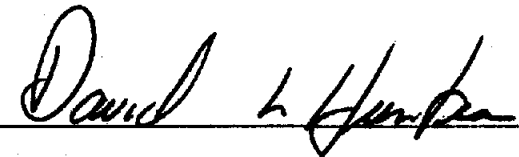
An act to amend termination provisions for tax increment financing by allowing tax increment projects adopted prior to 1980 to have a minimum life of 12 years instead of 10 years and to delete the requirement that no further bonding may occur after April 29, 1987.

FISCAL IMPACT:

The fiscal impact of this proposal can not be estimated by the Department of Revenue because tax increment district valuation information is not aggregated at the state level.

EFFECT ON COUNTY/LOCAL REVENUE:

Under tax increment financing, an entity's taxable value is frozen at a base year level and the proceeds from subsequent taxable valuation increases may only be used to fund projects within the tax increment district. This legislation allows the taxable valuations of tax increment districts to remain frozen for two additional years. The taxing jurisdiction within which a tax increment district is located would not be able to levy taxes against the increased valuation of the increment district for general tax purposes during the two year extention period.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Jan 30, 1985
HB 339

APPROVED BY COMMITTEE
ON TAXATION

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2 INTRODUCED BY *Ramirez, Chavez, Kelly, Redberg*
3 *Hanna, Lopez, Lopez, Lively*

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-End-



-2-
SECOND READING
HB 339

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