

HOUSE BILL NO. 666

INTRODUCED BY RAMIREZ, ADDY, REHBERG, SIMON, ROTH,
KITSELMAN, HANNAH, WINSLOW, DRISCOLL, WHALEN

IN THE HOUSE

FEBRUARY 9, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FEBRUARY 23, 1987 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

FEBRUARY 24, 1987 PRINTING REPORT.

MARCH 2, 1987 SECOND READING, DO PASS.

MARCH 3, 1987 ENGROSSING REPORT.

 THIRD READING, PASSED.
 AYES, 92; NOES, 6.

 TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 4, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

APRIL 9, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

APRIL 11, 1987 SECOND READING, CONCURRED IN.

APRIL 13, 1987 THIRD READING, CONCURRED IN.
 AYES, 49; NOES, 1.

 RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 16, 1987 RECEIVED FROM SENATE.

 SECOND READING, AMENDMENTS
 CONCURRED IN.

APRIL 17, 1987

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

1 *House* BILL NO. *666*
 2 INTRODUCED BY *Ramirez, Adley, Redding, Simon*
 3 *John Kitelman and Andrew Insitt Whaley*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT

5 MUNICIPALITIES TO PLEDGE REVENUES OTHER THAN PROPERTY TAXES
 6 TO THE PAYMENT OF BONDS ISSUED TO FINANCE URBAN RENEWAL
 7 PROJECTS OR COSTS; AMENDING SECTIONS 7-15-4290 AND
 8 7-15-4301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

11 Section 1. Section 7-15-4290, MCA, is amended to read:
 12 "7-15-4290. Use of property taxes and other revenues
 13 for payment of bonds. (1) The tax increment may be pledged
 14 for the payment of revenue bonds issued for urban renewal
 15 projects or of general obligation bonds, revenue bonds, or
 16 special assessment bonds issued to pay urban renewal costs
 17 described in 7-15-4289. Any municipality issuing such bonds
 18 may, by resolution of its governing body, enter into a
 19 covenant for the security of the bondholders, detailing the
 20 calculation and adjustment of the tax increment and the
 21 taxable value on which it is based and pledging or
 22 appropriating other revenues of the municipality, except
 23 property taxes prohibited by subsection (2), to the payment
 24 of such bonds if collections of the tax increment are
 25 insufficient.

1 (2) No property taxes, except the tax increment
 2 derived from property within the urban renewal area and tax
 3 collections used to pay for services provided to the
 4 municipality by an urban renewal project, may be applied to
 5 the payment of bonds issued pursuant to 7-15-4301 for which
 6 a tax increment has been pledged."

7 Section 2. Section 7-15-4301, MCA, is amended to read:
 8 "7-15-4301. Authorization to issue urban renewal bonds
 9 and refunding bonds. (1) A municipality shall have the power
 10 to:

11 (a) issue bonds from time to time in its discretion,
 12 to finance the undertaking of any urban renewal project
 13 under this part and part 42, including, without limiting the
 14 generality thereof, the payment of principal and interest
 15 upon any advances for surveys and plans for urban renewal
 16 projects; and

17 (b) issue refunding bonds for the payment or
 18 retirement of such bonds previously issued by it.

19 (2) Such bonds shall not pledge the general credit of
 20 the municipality and shall be made payable, as to both
 21 principal and interest, solely from the income, proceeds,
 22 revenues, and funds of the municipality derived from or held
 23 in connection with its undertaking and carrying out of urban
 24 renewal projects under this part and part 42, including the
 25 tax increment received and pledged by the municipality



1 pursuant to 7-15-4282 through 7-15-4292, and, if such
2 income, proceeds, revenues, and funds of the municipality
3 are insufficient for such payment, from other revenues of
4 the municipality pledged to such payment. Payment of such
5 bonds, both as to principal and interest, may be further
6 secured by a pledge of any loan, grant, or contribution from
7 the federal government or other source in aid of any urban
8 renewal projects of the municipality under this part and
9 part 42 or by a mortgage on all or part of any such
10 projects.

11 (3) Bonds issued under this section shall be
12 authorized by resolution or ordinance of the local governing
13 body."

14 NEW SECTION. Section 3. Applicability. This act
15 applies to all bonds issued to finance urban renewal
16 projects or costs, whether the bonds were issued before or
17 after the effective date of this act.

18 NEW SECTION. Section 4. Effective date. This act is
19 effective on passage and approval.

-End-

APPROVED BY COMMITTEE
ON TAXATION

1 *House* BILL NO. *666*
2 INTRODUCED BY *Lammers / Kelly Redding / J. Mori*
3 *John Kitelman and Andrew Whalen*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT
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6 TO THE PAYMENT OF BONDS ISSUED TO FINANCE URBAN RENEWAL
7 PROJECTS OR COSTS; AMENDING SECTIONS 7-15-4290 AND
8 7-15-4301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
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16 special assessment bonds issued to pay urban renewal costs
17 described in 7-15-4289. Any municipality issuing such bonds
18 may, by resolution of its governing body, enter into a
19 covenant for the security of the bondholders, detailing the
20 calculation and adjustment of the tax increment and the
21 taxable value on which it is based and pledging or
22 appropriating other revenues of the municipality, except
23 property taxes prohibited by subsection (2), to the payment
24 of such bonds if collections of the tax increment are
25 insufficient.

1 (2) No property taxes, except the tax increment
2 derived from property within the urban renewal area and tax
3 collections used to pay for services provided to the
4 municipality by an urban renewal project, may be applied to
5 the payment of bonds issued pursuant to 7-15-4301 for which
6 a tax increment has been pledged."

7 Section 2. Section 7-15-4301, MCA, is amended to read:

8 "7-15-4301. Authorization to issue urban renewal bonds
9 and refunding bonds. (1) A municipality shall have the power
10 to:

11 (a) issue bonds from time to time in its discretion,
12 to finance the undertaking of any urban renewal project
13 under this part and part 42, including, without limiting the
14 generality thereof, the payment of principal and interest
15 upon any advances for surveys and plans for urban renewal
16 projects; and

17 (b) issue refunding bonds for the payment or
18 retirement of such bonds previously issued by it.

19 (2) Such bonds shall not pledge the general credit of
20 the municipality and shall be made payable, as to both
21 principal and interest, solely from the income, proceeds,
22 revenues, and funds of the municipality derived from or held
23 in connection with its undertaking and carrying out of urban
24 renewal projects under this part and part 42, including the
25 tax increment received and pledged by the municipality



1 pursuant to 7-15-4282 through 7-15-4292, and, if such
2 income, proceeds, revenues, and funds of the municipality
3 are insufficient for such payment, from other revenues of
4 the municipality pledged to such payment. Payment of such
5 bonds, both as to principal and interest, may be further
6 secured by a pledge of any loan, grant, or contribution from
7 the federal government or other source in aid of any urban
8 renewal projects of the municipality under this part and
9 part 42 or by a mortgage on all or part of any such
10 projects.

11 (3) Bonds issued under this section shall be
12 authorized by resolution or ordinance of the local governing
13 body."

14 NEW SECTION. Section 3. Applicability. This act
15 applies to all bonds issued to finance urban renewal
16 projects or costs, whether the bonds were issued before or
17 after the effective date of this act.

18 NEW SECTION. Section 4. Effective date. This act is
19 effective on passage and approval.

-End-

1 *House* BILL NO. *666*
 2 INTRODUCED BY *Ramirez / Kelly Redding /*
 3 *Kitelman and Amber Insitt / Whalen*

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 5 MUNICIPALITIES TO PLEDGE REVENUES OTHER THAN PROPERTY TAXES
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 7 PROJECTS OR COSTS; AMENDING SECTIONS 7-15-4290 AND
 8 7-15-4301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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 15 projects or of general obligation bonds, revenue bonds, or
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 17 described in 7-15-4289. Any municipality issuing such bonds
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 21 taxable value on which it is based and pledging or
 22 appropriating other revenues of the municipality, except
 23 property taxes prohibited by subsection (2), to the payment
 24 of such bonds if collections of the tax increment are
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1 (2) No property taxes, except the tax increment
 2 derived from property within the urban renewal area and tax
 3 collections used to pay for services provided to the
 4 municipality by an urban renewal project, may be applied to
 5 the payment of bonds issued pursuant to 7-15-4301 for which
 6 a tax increment has been pledged."

7 Section 2. Section 7-15-4301, MCA, is amended to read:

8 "7-15-4301. Authorization to issue urban renewal bonds
 9 and refunding bonds. (1) A municipality shall have the power
 10 to:

11 (a) issue bonds from time to time in its discretion,
 12 to finance the undertaking of any urban renewal project
 13 under this part and part 42, including, without limiting the
 14 generality thereof, the payment of principal and interest
 15 upon any advances for surveys and plans for urban renewal
 16 projects; and

17 (b) issue refunding bonds for the payment or
 18 retirement of such bonds previously issued by it.

19 (2) Such bonds shall not pledge the general credit of
 20 the municipality and shall be made payable, as to both
 21 principal and interest, solely from the income, proceeds,
 22 revenues, and funds of the municipality derived from or held
 23 in connection with its undertaking and carrying out of urban
 24 renewal projects under this part and part 42, including the
 25 tax increment received and pledged by the municipality



1 pursuant to 7-15-4282 through 7-15-4292, and, if such
2 income, proceeds, revenues, and funds of the municipality
3 are insufficient for such payment, from other revenues of
4 the municipality pledged to such payment. Payment of such
5 bonds, both as to principal and interest, may be further
6 secured by a pledge of any loan, grant, or contribution from
7 the federal government or other source in aid of any urban
8 renewal projects of the municipality under this part and
9 part 42 or by a mortgage on all or part of any such
10 projects.

11 (3) Bonds issued under this section shall be
12 authorized by resolution or ordinance of the local governing
13 body."

14 NEW SECTION. Section 3. Applicability. This act
15 applies to all bonds issued to finance urban renewal
16 projects or costs, whether the bonds were issued before or
17 after the effective date of this act.

18 NEW SECTION. Section 4. Effective date. This act is
19 effective on passage and approval.

-End-

HOUSE BILL NO. 666

INTRODUCED BY RAMIREZ, ADDY, REHBERG, SIMON, ROTH,

KITSELMAN, HANNAH, WINSLOW, DRISCOLL, WHALEN

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT MUNICIPALITIES, AFTER A PUBLIC HEARING, TO PLEDGE REVENUES OTHER THAN PROPERTY TAXES TO THE PAYMENT OF BONDS ISSUED TO FINANCE URBAN RENEWAL PROJECTS OR COSTS; AMENDING SECTIONS 7-15-4290 AND 7-15-4301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY PROVISION."

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

Section 1. Section 7-15-4290, MCA, is amended to read:

"7-15-4290. Use of property taxes and other revenues for payment of bonds. (1) The tax increment may be pledged for the payment of revenue bonds issued for urban renewal projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay urban renewal costs described in 7-15-4289. Any municipality issuing such bonds may, by resolution of its governing body, enter into a covenant for the security of the bondholders, detailing the calculation and adjustment of the tax increment and the taxable value on which it is based and, AFTER A PUBLIC HEARING, pledging or appropriating other revenues of the municipality, except property taxes prohibited by subsection

(2), to the payment of such bonds if collections of the tax increment are insufficient.

(2) No property taxes, except the tax increment derived from property within the urban renewal area and tax collections used to pay for services provided to the municipality by an urban renewal project, may be applied to the payment of bonds issued pursuant to 7-15-4301 for which a tax increment has been pledged."

Section 2. Section 7-15-4301, MCA, is amended to read:

"7-15-4301. Authorization to issue urban renewal bonds and refunding bonds. (1) A municipality shall have the power to:

(a) issue bonds from time to time in its discretion, to finance the undertaking of any urban renewal project under this part and part 42, including, without limiting the generality thereof, the payment of principal and interest upon any advances for surveys and plans for urban renewal projects; and

(b) issue refunding bonds for the payment or retirement of such bonds previously issued by it.

(2) 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



1 renewal projects under this part and part 42, including the
2 tax increment received and pledged by the municipality
3 pursuant to 7-15-4282 through 7-15-4292, and, if such
4 income, proceeds, revenues, and funds of the municipality
5 are insufficient for such payment, from other revenues of
6 the municipality pledged to such payment. Payment of such
7 bonds, both as to principal and interest, may be further
8 secured by a pledge of any loan, grant, or contribution from
9 the federal government or other source in aid of any urban
10 renewal projects of the municipality under this part and
11 part 42 or by a mortgage on all or part of any such
12 projects.

13 (3) Bonds issued under this section shall be
14 authorized by resolution or ordinance of the local governing
15 body."

16 NEW SECTION. Section 3. Applicability. This act
17 ~~applies to all bonds issued to finance urban renewal~~
18 ~~projects or costs, whether the bonds were issued before or~~
19 ~~after~~ DOES NOT APPLY TO BONDS ISSUED BEFORE the effective
20 date of this act.

21 NEW SECTION. Section 4. Effective date. This act is
22 effective on passage and approval.

-End-

STANDING COMMITTEE REPORT

SENATE

April 8

19 87

MR. PRESIDENT

We, your committee on SENATE TAXATION

having had under consideration HOUSE BILL No 666

third reading copy (blue color)

RAMIREZ (CRIPPEN)

ALLOW MUNICIPALITY TO PLEDGE CERTAIN REVENUE FOR TAX INCREMENT DEBT PAYMENT

Respectfully report as follows: That HOUSE BILL No 666

be amended as follows:

1. Title, line 5.

Following: "MUNICIPALITIES"

Insert: ", AFTER A PUBLIC HEARING,"

2. Title, line 8.

Following: "DATE"

Insert: "AND AN APPLICABILITY PROVISION"

3. Page 1, line 21.

Following: "and"

Insert: ", after a public hearing,"

4. Page 3, lines 15 through 17.

Following: line 14

Strike: all of line 15 through "after" on line 17

Insert: "does not apply to bonds issued before"

AND AS AMENDED BE CONCURRED IN

DO PASS XXXXX

XXXXXXXXXX

George McCallum SENATOR GEORGE MCCALLUM, Chairman.

Handwritten notes: 4-8-87, 3:25