



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0505 - Revise tax increment calculation for districts that use tax increment financing (Hertz, Greg)

Status: As Introduced

- Significant Local Gov Impact
- Needs to be included in HB 2
- Technical Concerns
- Included in the Executive Budget
- Significant Long-Term Impacts
- Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balanc	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This bill has no fiscal impact to the state.

FISCAL ANALYSIS

Assumptions:

1. Currently, 7-15-4286, MCA, contains distinct treatment for targeted economic development districts (TEDDs) and Urban Renewal Districts (URDs) created before or after June 30, 2022.
2. Prior to SB 388 of the 2021 Legislature, there was distinct treatment for TEDDs and URDs created before April 6, 2017, and TEDDs and URDs created after that point. This was due to the passage of HB 30 in 2017.
3. When SB 388 passed in the 2021 Legislature, the amending language did not preserve the clear distinction of the April 6, 2017, delineation.
4. SB 505 corrects this issue and clarifies that there should be three groups of TEDDs and URDs with different laws applying to each. Those groups are districts created before April 6, 2017; districts created after April 6, 2017, but before June 30, 2022; and districts created after June 30, 2022.
5. There are no for implementation costs to the Department of Revenue.

NO SPONSOR SIGNATURE

_____ 3/9/23 _____ [Signature] _____ 3-3-23
Sponsor's Initials *Date* *Budget Director's Initials* *Date*