

Unofficial Draft Copy

As of: August 23, 2016 (1:11pm)

LCtiff2

**** Bill No. ****

Introduced By *****

By Request of the *****

A Bill for an Act entitled: "An Act revising tax increment financing provisions related to education funding; exempting public school equalization mill levies from tax increment financing if the levies are not pledged for bond payments; amending section 7-15-4286, MCA; and providing an immediate effective date and an applicability date."

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 7-15-4286, MCA, is amended to read:

"7-15-4286. Procedure to determine and disburse tax increment. (1) Mill rates of taxing bodies for taxes levied after the effective date of the tax increment provision must be calculated on the basis of the sum of the taxable value, as shown by the last equalized assessment roll, of all taxable property located outside the urban renewal area or targeted economic development district and the base taxable value of all taxable property located within the area or district. The mill rate determined must be levied against the sum of the actual taxable value of all taxable property located within as well as outside the area or district.

(2) (a) ~~The~~ Except as provided in subsection (2)(b), the tax increment, if any, received in each year from the levy of the

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combined mill rates of all the affected taxing bodies against the incremental taxable value within the area or district, except for the university system mills levied pursuant to 15-10-108 and 20-25-439 and the public school equalization mills levied and assessed against property pursuant to 20-9-331, 20-9-333, and 20-9-360, must be paid into a special fund held by the treasurer of the local government and used as provided in 7-15-4282 through 7-15-4294.

(b) If the tax increment is pledged to the payment of the principal of premiums, if any, and interest on the bonds referred to in 7-15-4289 created before June 9, 2016, and the tax increment derived from the public school equalization mills or a portion thereof is required to make those payments, the public school equalization mills or a portion thereof must be included in the combined mill rate used to calculate the tax increment and paid into the fund provided for in subsection (2)(a) until the time when the tax increment derived from the public school equalization mills is not required to make the payment of the principal of premiums and interest on the bonds.

~~(b)~~(c) The balance of the taxes collected in each year must be paid to each of the taxing bodies as otherwise provided by law."

{*Internal References to 7-15-4286:*

- 7-15-4279 *x 7-15-4282 *x
- 7-15-4283 *x 7-15-4283 *x
- 7-15-4286 *x 7-15-4291x 7-15-4291 *x
- 7-15-4301 *x 7-15-4324 *x
- 71-3-1506x }

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NEW SECTION. **Section 2. {standard} Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 3. {standard} Applicability.** [This act] applies to urban renewal districts and targeted economic development districts established under Title 7, chapter 15, part 42, that exist on or are initiated after [the effective date of this act].

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