

**Unofficial Draft Copy**

As of: August 23, 2016 (3:27pm)

LCtiff4

\*\*\*\* Bill No. \*\*\*\*

Introduced By \*\*\*\*\*

By Request of the \*\*\*\*\*

A Bill for an Act entitled: "An Act revising laws related to use of tax increment by private property owners; allowing tax increment to be used by private property owners to achieve public purposes; subjecting tax increment provided to private property owners to recapture if the property is transferred within a certain time period; amending section 7-15-4288, MCA; and providing an applicability date."

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

**Section 1.** Section 7-15-4288, MCA, is amended to read:

**"7-15-4288. Costs that may be paid by tax increment financing.** ~~(1) The~~ Subject to subsection (2), tax increments increment may be used by the local government to pay the following costs of or incurred in connection with an urban renewal area or targeted economic development district as identified in the urban renewal plan or targeted economic development district comprehensive development plan:

- ~~(1)~~(a) land acquisition;
- ~~(2)~~(b) demolition and removal of structures;
- ~~(3)~~(c) relocation of occupants;
- ~~(4)~~(d) the acquisition, construction, and improvement of public improvements or infrastructure, including streets, roads,

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curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and offstreet parking facilities, sewers, sewer lines, sewage treatment facilities, storm sewers, waterlines, waterways, water treatment facilities, natural gas lines, electrical lines, telecommunications lines, rail lines, rail spurs, bridges, publicly owned buildings, and any public improvements authorized by Title 7, chapter 12, parts 41 through 45; Title 7, chapter 13, parts 42 and 43; and Title 7, chapter 14, part 47, and items of personal property to be used in connection with improvements for which the foregoing costs may be incurred;

~~(5)~~(e) costs incurred in connection with the redevelopment activities allowed under 7-15-4233;

~~(6)~~(f) acquisition of infrastructure-deficient areas or portions of areas;

~~(7)~~(g) administrative costs associated with the management of the urban renewal area or targeted economic development district;

~~(8)~~(h) assemblage of land for development or redevelopment by private enterprise or public agencies, including sale, initial leasing, or retention by the local government itself at its fair value;

~~(9)~~(i) the compilation and analysis of pertinent information required to adequately determine the needs of the urban renewal area or targeted economic development district;

~~(10)~~(j) the connection of the urban renewal area or targeted economic development district to existing infrastructure outside the area or district;

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~~(11)~~(k) the provision of direct assistance to secondary value-adding industries to assist in meeting their infrastructure and land needs within the area or district; ~~and~~

~~(12)~~(l) the acquisition, construction, or improvement of facilities or equipment for reducing, preventing, abating, or eliminating pollution; and

(m) improvements to private property for the achievement of public purposes.

(2) (a) Except as provided in subsection (2)(b), tax increment provided for improvements to a private property are subject to recapture upon voluntary transfer of control or ownership of the private property that is improved by the tax increment by means of sale or lease of the private property or the transfer of a controlling stock or other equity interest in the private property within 15 years after receipt of the tax increment.

(b) A private property owner who conveys ownership of improvements funded with tax increment to a governmental entity is not subject to the provisions of subsection (2)(a)."

{*Internal References to 7-15-4288:*

7-15-4206x 7-15-4279 \*x 7-15-4282 \*x  
7-15-4283 \*x 7-15-4283 \*x  
7-15-4286 \*x 7-15-4290x 7-15-4290x  
7-15-4291 \*x 7-15-4291x 7-15-4301 \*x  
7-15-4324x 7-15-4324 \*x 17-6-316x }

NEW SECTION. Section 2. {standard} Applicability. [This act] applies to improvements funded with tax incrementd after [the effective date of this act].

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{Name : Megan M. Moore  
Title : Research Analyst  
Agency : Montana Legislative Services  
Phone : 406-444-4496  
E-Mail : memoore@mt.gov}