

1 HOUSE JOINT RESOLUTION NO. 18
2 INTRODUCED BY A. HERTZ, D. FERN

3
4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
5 MONTANA REQUESTING A STUDY OF URBAN RENEWAL DISTRICTS AND TARGETED ECONOMIC
6 DEVELOPMENT DISTRICTS THAT USE TAX INCREMENT FINANCING.

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8 WHEREAS, the 2015-2016 Revenue and Transportation Interim Committee studied tax increment
9 financing; and

10 WHEREAS, the Legislative Audit Division is undertaking a legislative audit of districts that use tax
11 increment financing and the audit is expected to be completed by the end of 2017; and

12 WHEREAS, the legislative audit will provide information to inform additional study of tax increment
13 financing.

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15 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
16 STATE OF MONTANA:

17 That the Legislative Council be requested to designate an appropriate interim committee, pursuant to
18 section 5-5-217, MCA, to:

19 (1) review the legislative audit of districts that use tax increment financing with specific attention to
20 findings related to administrative costs, the life of districts that bond and districts that do not bond, and oversight
21 and audits of the districts;

22 (2) study the percentages of tax increment revenues that are spent on administrative overhead and the
23 variance between communities;

24 (3) consider developing guidelines for the ratio of public-private investment to be used in districts that
25 use tax increment financing;

26 (4) consider whether to establish a maximum allowable incremental taxable value in districts that use
27 tax increment financing and a maximum percentage of the tax base of the local government that can be placed
28 into urban renewal districts or targeted economic development districts;

29 (5) consider whether to revise the definition of "blight" or the allowable reasons for creating of an urban
30 renewal district;



1 (6) consider whether a third party should confirm the presence of blight or the need for infrastructure
2 improvements and approve district boundaries;

3 (7) review local government expenditures on purely public projects that may not increase the tax base,
4 review expenditures for projects that use money to spur private investment, and consider whether to limit
5 expenditures on purely public projects;

6 (8) consider whether to require remittance of increment not necessary to make bond payments after
7 expiration of the tax increment financing provision;

8 (9) review impacts of districts that use tax increment financing on other taxing jurisdictions, including the
9 2011 study on tax increment financing prepared by Montana State University-Billings; ~~and~~

10 (10) review programs that use tax increment financing for facade improvement programs and historical
11 preservation programs; AND

12 (11) CONSIDER THE TAXATION OF CENTRALLY ASSESSED PROPERTY WITHIN A TAX INCREMENT FINANCING
13 DISTRICT.

14 BE IT FURTHER RESOLVED, that the interim committee seek input from local governments, affected
15 state agencies, and urban renewal district and targeted economic development district personnel.

16 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review
17 requirements, be concluded prior to September 15, 2018.

18 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,
19 comments, or recommendations of the appropriate committee, be reported to the 66th Legislature.

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