



Montana Code Annotated 2007 Regarding Urban Renewal and Public Uses

7-15-4206. Definitions. The following terms, wherever used or referred to in part 43 or this part, have the following meanings unless a different meaning is clearly indicated by the context:

- (1) "Agency" or "urban renewal agency" means a public agency created by [7-15-4232](#).
- (2) "Blighted area" means an area that is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, that substantially impairs or arrests the sound growth of the city or its environs, that retards the provision of housing accommodations, or that constitutes an economic or social liability or is detrimental or constitutes a menace to the public health, safety, welfare, and morals in its present condition and use, by reason of:
 - (a) the substantial physical dilapidation, deterioration, age obsolescence, or defective construction, material, and arrangement of buildings or improvements, whether residential or nonresidential;
 - (b) inadequate provision for ventilation, light, proper sanitary facilities, or open spaces as determined by competent appraisers on the basis of an examination of the building standards of the municipality;
 - (c) inappropriate or mixed uses of land or buildings;
 - (d) high density of population and overcrowding;
 - (e) defective or inadequate street layout;
 - (f) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
 - (g) excessive land coverage;
 - (h) unsanitary or unsafe conditions;
 - (i) deterioration of site;
 - (j) diversity of ownership;
 - (k) tax or special assessment delinquency exceeding the fair value of the land;
 - (l) defective or unusual conditions of title;
 - (m) improper subdivision or obsolete platting;
 - (n) the existence of conditions that endanger life or property by fire or other causes; or
 - (o) any combination of the factors listed in this subsection (2).
- (3) "Bonds" means any bonds, notes, or debentures, including refunding obligations, authorized to be issued pursuant to part 43 or this part.
- (4) "Clerk" means the clerk or other official of the municipality who is the custodian of the official records of the municipality.
- (5) "Federal government" means the United States of America or any agency or instrumentality, corporate or otherwise, of the United States of America.
- (6) "Local governing body" means the council or other legislative body charged with governing the municipality.
- (7) "Mayor" means the chief executive of a city or town.
- (8) "Municipality" means any incorporated city or town in the state.
- (9) "Neighborhood development program" means the yearly activities or undertakings of a municipality in an urban renewal area or areas if the municipality elects to undertake activities on an annual increment basis.

(10) "Obligee" means any bondholder or agent or trustee for any bondholder or lessor conveying to the municipality property used in connection with an urban renewal project or any assignee or assignees of the lessor's interest or any part of the interest and the federal government when it is a party to any contract with the municipality.

(11) "Person" means any individual, firm, partnership, corporation, company, association, joint-stock association, or school district and includes any trustee, receiver, assignee, or other person acting in a similar representative capacity.

(12) "Public body" means the state or any municipality, township, board, commission, district, or other subdivision or public body of the state.

(13) "Public officer" means any officer who is in charge of any department or branch of the government of the municipality relating to health, fire, building regulations, or other activities concerning dwellings in the municipality.

(14) "Public use" means:

(a) a public use enumerated in [70-30-102](#); or

(b) a project financed by the method provided for in [7-15-4288](#).

(15) "Real property" means all lands, including improvements and fixtures on the land, all property of any nature appurtenant to the land or used in connection with the land, and every estate, interest, right, and use, legal or equitable, in the land, including terms for years and liens by way of judgment, mortgage, or otherwise.

(16) "Redevelopment" may include:

(a) acquisition of a blighted area or portion of the area;

(b) demolition and removal of buildings and improvements;

(c) installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the area the urban renewal provisions of this part in accordance with the urban renewal plan; and

(d) making the land available for development or redevelopment by private enterprise or public agencies, including sale, initial leasing, or retention by the municipality itself, at its fair value for uses in accordance with the urban renewal plan. If the property is condemned pursuant to Title 70, chapter 30, the private enterprise or public agencies may not develop the condemned area in a way that is not for a public use.

(17) (a) "Rehabilitation" may include the restoration and renewal of a blighted area or portion of the area in accordance with an urban renewal plan by:

(i) carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements;

(ii) acquisition of real property and demolition or removal of buildings and improvements on the property when necessary to eliminate unhealthful, unsanitary, or unsafe conditions, to lessen density, to reduce traffic hazards, to eliminate obsolete or other uses detrimental to the public welfare, to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities;

(iii) installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the area the urban renewal provisions of this part; and

(iv) subject to [7-15-4259](#)(4), the disposition of any property acquired in the urban renewal area, including sale, initial leasing, or retention by the municipality itself, at its fair value for uses in accordance with the urban renewal plan.

(b) Rehabilitation may not include the development of the condemned area in a way

that is not for a public use if the property is condemned pursuant to Title 70, chapter 30.

(18) "Urban renewal area" means a blighted area that the local governing body designates as appropriate for an urban renewal project or projects.

(19) "Urban renewal plan" means a plan for one or more urban renewal areas or for an urban renewal project. The plan:

(a) must conform to the growth policy if one has been adopted pursuant to Title 76, chapter 1; and

(b) must be sufficiently complete to indicate, on a yearly basis or otherwise:

(i) any land acquisition, demolition, and removal of structures; redevelopment; improvements; and rehabilitation that is proposed to be carried out in the urban renewal area;

(ii) zoning and planning changes, if any, including changes to the growth policy if one has been adopted pursuant to Title 76, chapter 1;

(iii) land uses, maximum densities, building requirements; and

(iv) the plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.

(20) (a) "Urban renewal project" may include undertakings or activities of a municipality in an urban renewal area for the elimination and for the prevention of the development or spread of blight and may involve redevelopment in an urban renewal area, rehabilitation or conservation in an urban renewal area, or any combination or part of redevelopment, rehabilitation, or conservation in accordance with an urban renewal plan.

(b) An urban renewal project may not include using property that was condemned pursuant to Title 70, chapter 30, for anything other than a public use.

7-15-4288. Costs that may be paid by tax increment financing. The tax increments may be used by the municipality to pay the following costs of or incurred in connection with an urban renewal project, industrial infrastructure development project, technology infrastructure development project, or aerospace transportation and technology infrastructure development project:

(1) land acquisition;

(2) demolition and removal of structures;

(3) relocation of occupants;

(4) the acquisition, construction, and improvement of infrastructure, industrial infrastructure, technology infrastructure, or aerospace transportation and technology infrastructure that includes streets, roads, 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, spaceports for reusable launch vehicles with associated runways and launch, recovery, fuel manufacturing, and cargo holding facilities, publicly owned buildings, and any public improvements authorized by parts 41 through 45 of chapter 12, parts 42 and 43 of chapter 13, and part 47 of chapter 14 and items of personal property to be used in connection with improvements for which the foregoing costs may be incurred;

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

4233;

- (6) acquisition of infrastructure-deficient areas or portions of areas;
- (7) administrative costs associated with the management of the urban renewal area, industrial district, technology district, or aerospace transportation and technology district;
- (8) assemblage of land for development or redevelopment by private enterprise or public agencies, including sale, initial leasing, or retention by the municipality itself at its fair value;
- (9) the compilation and analysis of pertinent information required to adequately determine the infrastructure needs of secondary, value-adding industries in the industrial district, the needs of a technology infrastructure development project in the technology district, or the needs of an aerospace transportation and technology infrastructure development project in the aerospace transportation and technology district;
- (10) the connection of the urban renewal area, industrial district, technology district, or aerospace transportation and technology district to existing infrastructure outside the district;
- (11) the provision of direct assistance, through industrial infrastructure development projects, technology development projects, or aerospace transportation and technology infrastructure development projects, to secondary, value-adding industries to assist in meeting their infrastructure and land needs within the district; and
- (12) the acquisition, construction, or improvement of facilities or equipment for reducing, preventing, abating, or eliminating pollution.

70-30-102 Public uses enumerated.

- (1) all public uses authorized by the government of the United States;
- (2) public buildings and grounds for the use of the state and all other public uses authorized by the legislature of the state;
- (3) public buildings and grounds for the use of any county, city, town, or school district;
- (4) canals, aqueducts, flumes, ditches, or pipes conducting water, heat, or gas for the use of the inhabitants of any county, city, or town;
- (5) projects to raise the banks of streams, remove obstructions from streambanks, and widen, deepen, or straighten stream channels;
- (6) water and water supply systems as provided in Title 7, chapter 13, part 44;
- (7) roads, streets, alleys, controlled-access facilities, and other publicly owned buildings and facilities for the benefit of a county, city, or town or the inhabitants of a county, city, or town;
- (8) acquisition of road-building material as provided in [7-14-2123](#);
- (9) stock lanes as provided in [7-14-2621](#);
- (10) parking areas as provided in [7-14-4501](#) and [7-14-4622](#);
- (11) airport purposes as provided in [7-14-4801](#), [67-2-301](#), [67-7-210](#), and Title 67, chapters 10 and 11;
- (12) urban renewal projects as provided in Title 7, chapter 15, parts 42 and 43, except that private property may be acquired for urban renewal through eminent domain only if the property is determined to be a blighted area, as defined in [7-15-4206\(2\)\(a\)](#), [\(2\)\(h\)](#), [\(2\)\(k\)](#), or [\(2\)\(n\)](#), and may not be acquired for urban renewal through eminent domain if

the purpose of the project is to increase government tax revenue;

(13) housing authority purposes as provided in Title 7, chapter 15, part 44;

(14) county recreational and cultural purposes as provided in [7-16-2105](#);

(15) city or town athletic fields and civic stadiums as provided in [7-16-4106](#);

(16) county cemetery purposes as provided in [7-35-2201](#), cemetery association purposes as provided in [35-20-104](#), and state veterans' cemetery purposes as provided in [10-2-604](#);

(17) preservation of historical or archaeological sites as provided in [23-1-102](#) and [87-1-209\(2\)](#);

(18) public assistance purposes as provided in [53-2-201](#);

(19) highway purposes as provided in [60-4-103](#) and [60-4-104](#);

(20) common carrier pipelines as provided in [69-13-104](#);

(21) water supply, water transportation, and water treatment systems as provided in [75-6-313](#);

(22) mitigation of the release or threatened release of a hazardous or deleterious substance as provided in [75-10-720](#);

(23) the acquisition of nonconforming outdoor advertising as provided in [75-15-123](#);

(24) screening for or the relocation or removal of junkyards, motor vehicle graveyards, motor vehicle wrecking facilities, garbage dumps, and sanitary landfills as provided in [75-15-223](#);

(25) water conservation and flood control projects as provided in [76-5-1108](#);

(26) acquisition of natural areas as provided in [76-12-108](#);

(27) acquisition of water rights for the natural flow of water as provided in [85-1-204](#);

(28) property and water rights necessary for waterworks as provided in [85-1-209](#) and [85-7-1904](#);

(29) conservancy district purposes as provided in [85-9-410](#);

(30) wharves, docks, piers, chutes, booms, ferries, bridges, private roads, plank and turnpike roads, and railroads;

(31) canals, ditches, flumes, aqueducts, and pipes for:

(a) supplying mines, mills, and smelters for the reduction of ores;

(b) supplying farming neighborhoods with water and drainage;

(c) reclaiming lands; and

(d) floating logs and lumber on streams that are not navigable;

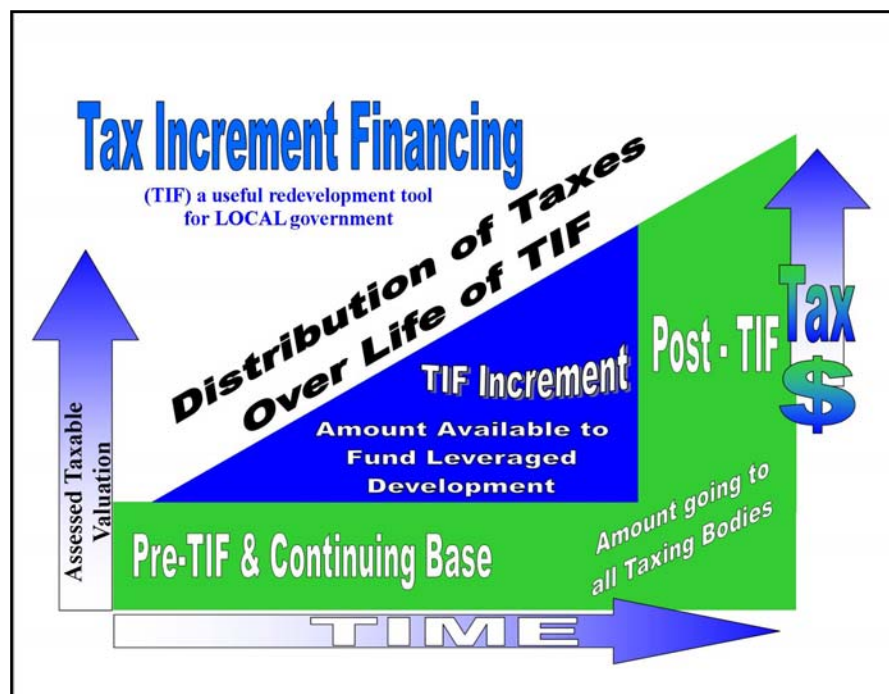
(32) sites for reservoirs necessary for collecting and storing water. However, reservoir sites must possess a public use demonstrable to the district court as the highest and best use of the land.

(33) roads, tunnels, and dumping places for working mines, mills, or smelters for the reduction of ores;

(34) outlets, natural or otherwise, for the flow, deposit, or conduct of tailings or refuse matter from mines, mills, and smelters for the reduction of ores;

(35) an occupancy in common by the owners or the possessors of different mines of any place for the flow, deposit, or conduct of tailings or refuse matter from their several mines, mills, or smelters for reduction of ores and sites for reservoirs necessary for collecting and storing water for the mines, mills, or smelters. However, the reservoir sites must possess a public use demonstrable to the district court as the highest and best use of the land.

- (36) private roads leading from highways to residences or farms;
- (37) telephone or electrical energy lines, except that local government entities as defined in [2-7-501](#), municipal utilities, or competitive electricity suppliers may not use this chapter to acquire existing telephone or electrical energy lines and appurtenant facilities owned by a public utility or cooperative for the purpose of transmitting or distributing electricity or providing telecommunications services;
- (38) telegraph lines;
- (39) sewerage of any:
 - (a) county, city, or town or any subdivision of a county, city, or town, whether incorporated or unincorporated;
 - (b) settlement consisting of not less than 10 families; or
 - (c) public buildings belonging to the state or to any college or university;
- (40) tramway lines;
- (41) logging railways;
- (42) temporary logging roads and banking grounds for the transportation of logs and timber products to public streams, lakes, mills, railroads, or highways for a time that the court or judge may determine. However, the grounds of state institutions may not be used for this purpose.
- (43) underground reservoirs suitable for storage of natural gas;
- (44) projects to mine and extract ores, metals, or minerals owned by the condemnor located beneath or upon the surface of property where the title to the surface vests in others. However, the use of the surface of property for strip mining or open-pit mining of coal (i.e., any mining method or process in which the strata or overburden is removed or displaced in order to extract the coal) is not a public use, and eminent domain may not be exercised for this purpose.
- (45) projects to restore and reclaim lands that were strip mined or underground mined for coal and not reclaimed in accordance with Title 82, chapter 4, part 2, and to abate or control adverse effects of strip or underground mining on those lands.



Estimate of potential TAX INCREMENT BOND sales based on 1,000,000 of new taxable value and PPTax value of \$100,000.

Tax Year 2007

New Real Property Value	\$ 1,000,000.00	Estimate
Exempt at 15%	\$ 850,000.00	
Taxable Value	\$ 255,850.00	
Mill Levy (estimated)	0.05530	
Tax (Real Property)	\$ 14,148.51	Annual

PP/Machinery Investment	\$100,000	Estimate
Market Value	\$10,000.00	
Taxable Value	\$3,000.00	
Mill Levy (estimated)	0.05530	
Tax (PP and Machinery)	\$165.90	

Total Tax	\$14,314.41	
-30%	\$10,020.08	Bond years
Bond Rate	6.00%	20
Total Bond Amount	\$114,930	