

RESOLUTION 476 C

WHEREAS, the Montana Legislature has provided for property tax incentives to encourage construction for new and expanding manufacturing industry (§ 15-24-1402, M.C.A.);

WHEREAS, the legislation requires that local governing bodies approve the implementation of such incentives in their jurisdictions, following a public hearing, prior to the incentives becoming effective;

WHEREAS, the Board of Commissioners of Flathead County conducted a public hearing on the 8<sup>th</sup> day of April, 1983;

WHEREAS, the Board of Commissioners has determined that the tax incentives for new or expanding manufacturing industry are appropriate to aid in the economic development of Flathead County and enacted Resolution No. 476 on April 8, 1983, providing such incentive; and

WHEREAS, the Board of Commissioners determined that approval of such tax incentives after the determination of taxable values interfered with the ability of local government entities to adopt accurate budgets, and adopted Resolution No. 476A (amending Resolution No. 476) which contained the following schedule:

In the first five years after the issuance of a construction permit and the effective date of the approval of tax incentives by the Board, qualifying improvements to real property shall be taxed at 50% of their taxable value; each year thereafter, the percentage shall be increased by equal percentages until full taxable value is attained in the 10<sup>th</sup> year and thereafter, to wit:

1 <sup>st</sup> year through 5 <sup>th</sup> year	-	50% of taxable value
6 <sup>th</sup> year	-	60% of taxable value
7 <sup>th</sup> year	-	70% of taxable value
8 <sup>th</sup> year	-	80% of taxable value
9 <sup>th</sup> year	-	90% of taxable value
10 <sup>th</sup> and subsequent years	-	100% of taxable value

The following definitions shall apply in the use of the tax incentives approved hereby:

1. "Construction Permit" means a permit issued by the agency having jurisdiction, prior to the commencement of construction of an improvement to real property; if the improvement is to be constructed upon property for which no such construction permit is necessary, "Construction Permit" means the issuance by the Board of Commissioners of a "Certificate in Lieu of Construction Permit" on the form attached hereto as Exhibit A.

2. "Manufacturing Industry" means an industry that engages in mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual prepared by the United States Office of Management and Budget.

3. "New or Expanding" means that the manufacturing industry is new to Flathead County or that the manufacturing industry has added qualifying improvements to its real property since July 1, 1981, or will add qualifying improvements in the future.

4. "Qualifying Improvement" means a building, structure or fixture constructed upon, erected upon, or affixed to real property, which is to be used in a manufacturing industry as defined herein and which will be assessed by the Department of Revenue as an improvement to real property.

The Board of Commissioners will approve an application for the tax treatment approved hereby, only after the applicant has completed the following:

1. Received a Construction Permit as defined herein;
2. Demonstrated, by the issuance of written confirmation by the office whose governing body controls the zoning jurisdiction within which the property is located that the proposed structure complies with any applicable zoning requirements;
3. Demonstrated, by the issuance of written confirmation by the Flathead City-County Health Department and the State Department of Public Health and Human Services that the proposed new or expanded manufacturing facility will comply with all health-related requirements; and
4. Presented a complete application for the tax treatment provided by the Department of Revenue (available from the County Assessor).

The effective date of this Resolution is the date of its enactment (April 2, 2015), and shall apply to all new and presently on-going construction.

In order to preclude interference with local government budgetary processes, any approval under this Resolution shall be effective on January 1 of the year following that approval.

As a result of this Resolution and any employment created by the effects of this Resolution, the Board of Commissioners strongly recommends and supports that wherever possible local Montana citizens be given preference in selection of applicants for filling positions.

The Board of Commissioners may end the tax benefits herein approved, by the passage of a resolution repealing this Resolution, at any time, but the tax benefits secured by any industrial facility through compliance herewith shall not be terminated but shall be in full force and effect for the entire ten-year-period.

Dated this 2<sup>nd</sup> day of April, 2015.



ATTEST:

Debbie Pierson, Clerk

By D. Pierson Deputy

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By Pamela J. Holmquist  
Pamela J. Holmquist, Chairman

By Gary D. Kruger  
Gary D. Kruger, Member

By Philip B. Mitchell  
Philip B. Mitchell, Member