BOZEMAN MT

# Memorandum

**REPORT TO:** City Commission

**FROM:** Brit Fontenot, Economic Development Director

**SUBJECT:** Second Reading of an Ordinance of the City Commission of the City of Bozeman, Montana, Repealing Chapter 2, Article 5, Division 10 of the Bozeman Municipal Code.

**MEETING DATE:** September 23, 2025

**AGENDA ITEM TYPE:** Ordinance

**RECOMMENDATION:** Approve the proposed ordinance on second reading. If passed on second reading, the proposed ordinance's effective date is October 23, 2025.

**STRATEGIC PLAN:** 1.2 Community Engagement: Broaden and deepen engagement of the community in city government, innovating methods for inviting input from the community and stakeholders.

**BACKGROUND:** On September 9, 2025, at its regularly scheduled City Commission meeting, a unanimous City Commission provisionally adopted the proposed ordinance. The second reading of the proposed ordinance is scheduled for the Commission consent agenda, and if passed, it has an October 23, 2025, effective date.

The purpose of this proposed ordinance is to repeal Chapter 2, Article 5, Division 10 of the Bozeman Municipal Code, which currently governs Urban Renewal, Tax Increment, and Economic Development District Boards. This action proposed is in response to legislative changes enacted by the 69th Montana Legislature through Senate Bill 3, which now requires urban renewal districts employing tax increment financing (TIF) mechanisms to create advisory boards. By removing the outdated provisions from the municipal code, the City of Bozeman ensures compliance with state law while avoiding duplicative or conflicting requirements. The original provisions, established through Ordinance 1861 in 2013 and later amended by Ordinance 2144, provided the City Commission with authority to create advisory boards for urban renewal and TIF district administration. While these provisions served an important function at the time, the new state mandate renders them unnecessary. Repealing this section of the code allows the City to streamline its governance framework and maintain consistency with Montana statutes while preserving the flexibility for the Commission to establish advisory boards as required. In addition to aligning with state law, this repeal advances the City's commitment to operating as a high-performance organization, as outlined in the Bozeman Strategic Plan. By removing duplicative or outdated code provisions, the City can reduce

administrative inefficiencies, clarify governance responsibilities, and promote transparency in the administration of urban renewal and TIF projects. The repeal does not eliminate the City's ability to pursue urban renewal or economic development initiatives but ensures that these efforts are managed under a clear and legally sound structure. The repeal will take effect thirty (30) days following final adoption, ensuring a smooth transition. Adoption of this ordinance demonstrates the City Commission's proactive approach to governance, legal compliance, and alignment with best practices for managing urban renewal and economic development initiatives.

**UNRESOLVED ISSUES:** None.

**ALTERNATIVES:** As determined by the Bozeman City Commission.

**FISCAL EFFECTS:** Undetermined at this time.

Attachments:
250818_Ordinance_TIF_Board_9-9-25_FINAL.pdf

Report compiled on: September 15, 2025