

RESOLUTION NO. 637**A RESOLUTION FOR MANUFACTURING INDUSTRY TAX INCENTIVES**

WHEREAS, The Montana legislature has provided for property tax incentives to encourage construction for new and expanding manufacturing industry (Section 15-24-1401, et seq. M.C.A.); and

WHEREAS, The legislation requires that local governing bodies approve the implementation of such incentives in their jurisdictions, for each respective applicant, following a public hearing, prior to the application for tax incentives becoming effective for such applicant; and

WHEREAS, The Polson City Council has determined that the tax incentives for new or expanding manufacturing industry are appropriate to aid in the economic development of the City of Polson; and

WHEREAS, pursuant to §15-24-1402(4) M.C.A. the tax benefit shall apply only to the number of mills levied and assessed for local high school district and elementary school district purposes and mills levied over which the City of Polson as the governing body has sole discretion.

NOW, THEREFORE, BE IT RESOLVED by the Polson City Council of Polson, Lake County, Montana that the following schedule of tax incentives for qualified Industry applicants as defined by §15-24-1401 et seq. M.C.A. should be approved for new and expanding manufacturing industry:

In the first five years after a construction permit is issued, 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 tenth year and thereafter, to wit:

1st year through 5th year	- 50% of taxable value
6th year	- 60%
7th year	- 70%
8th year	- 80%
9th year	- 90%
10th year	-100%

BE IT FURTHER RESOLVED, that the following definitions shall apply in the use of the tax incentives approve hereby:

1. "Construction Permit" means a permit issued by the agency having jurisdiction, prior to 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 the City of Polson or that the manufacturing industry has added qualifying improvements to its real property within the calendar year of the applicant's pending application for tax incentives, or will be added 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.

BE IT FURTHER RESOLVED that the Polson City Council 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 Polson/Lake County Land Services Dept., that the proposed structure complies with any applicable zoning requirements;
3. Demonstrated by the issuance of written confirmation by the Lake County Land Services and the State Department of Health, that the proposed new of expanded

Land Services and the State Department of Health, that the proposed new of expanded manufacturing facility will comply with all health-related requirements; and

4. Presented a completed application for the tax treatment provided by the Department of Revenue (available from the County Assessor).

BE IT FURTHER RESOLVED, that the effective date of this resolution is from the date of its enactment and shall apply to all new and presently on-going construction.

BE IT FURTHER RESOLVED, that as a result of this resolution and any employment created by the effects of this Resolution, that the City Council strongly recommends and supports that wherever possible local Montana citizens be given preference in selection of applicants for filling positions (Ref: Montana Senate/House Joint Resolution No. 30 filed April 1, 1983).

PASSED AND APPROVED THIS 5th day of July, 1994.

John W. Glueckert
John W. Glueckert, Mayor

ATTEST:

Aggi Loeser
Aggi Loeser, City Clerk

State of Montana)
) :ss.
County of Lake)

On this 13th day of July, 1994, before me, the undersigned, a Notary Public for the State of Montana, personally appeared **John W. Glueckert** and **Aggi Loeser**, personally known to me to be the Mayor and the City Clerk of the City of Polson, Montana, the Municipal Corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Chester A Johnson
Notary Public for the State of Montana
Residing at Polson Montana
My Commission expires: 3-1-98