



STATE OF VERMONT  
OFFICE OF THE STATE AUDITOR

To: Rep. Michael Marcotte, Chair, House Committee on Commerce & Economic Development  
Date: 15 January 2023  
Re: TIF statute reporting requirements

I recommend that the Legislature remove a performance reporting provision from the TIF statute. That may seem counterintuitive coming from me, but I can explain.

32 V.S.A. § 5404a (i) requires VEPC to report annually “the number of jobs created in the [TIF] district [and] what sectors experienced job growth.”

The desire for such information is understandable. But the VT Dept. of Labor does not report job data for sub-municipal areas like TIF districts. Nevertheless, VEPC continues to include jobs figures in its annual reports because (as I was told) “the legislature told us to.”

Eventually, VEPC added a disclaimer. Here is the language from the 2022 [Annual Report](#).

*“According to the municipalities self-reported data, there has been a net increase of 2,284 jobs in the TIF Districts since 2013...The methodology by which jobs are counted differs by municipality, and some jobs may not be new to Vermont, permanent, or full-time. VEPC reviews the methodologies towns use to provide this information, however, the Department of Labor does not provide data at the TIF District level so there is no way to verify the TIF District reported numbers.” (Emphasis added)<sup>1</sup>*

If the reported jobs figures were true, it would make TIF a wildly successful program. But how useful can these figures be with so many caveats? Having reviewed the municipalities methodologies, I can attest that the data is terribly misleading and serves no one but advocates.

Furthermore, as JFO pointed out in its most recent report on TIF,

*“It is inaccurate for towns or VEPC to attribute all growth in property values, jobs, wages, or any other economic variable solely to TIF if there are substantial outside subsidies flowing into a district. In some districts, outside funds accounted for more than 50% of total dollars used for infrastructure improvements.”<sup>2</sup>*

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<sup>1</sup> Tax Increment Financing Program Annual Report 2022 Fiscal Year 21: July 1, 2020 – June 30, 2021, pp. 10 & 11.

<sup>2</sup> Campbell, Graham, JFO, “[An Examination of the State of Vermont Tax Increment Financing Program: Update](#),” 1/17/22.

For all these reasons, I encourage you to remove the job creation reporting requirement from the statute and ask ACCD and VEPC to cease using the unreliable and misleading jobs figures.