

1 S.256

2 Introduced by Senator Starr

3 Referred to Committee on

4 Date:

5 Subject: Taxation; tax increment financing

6 Statement of purpose of bill as introduced: This bill proposes to amend the
7 limits imposed on the number of TIF districts approved by the Vermont
8 Economic Progress Council.

9 An act relating to limiting additional TIF districts

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 32 V.S.A. § 5404a(f) is amended to read:

12 (f) A municipality that establishes a tax increment financing district under
13 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties
14 contained within the district and apply not more than 70 percent of the State
15 education property tax increment, and not less than 85 percent of the municipal
16 property tax increment, to repayment of financing of the improvements and
17 related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by
18 the Vermont Economic Progress Council pursuant to this section, subject to the
19 following:

1 (1) In a municipality with one or more approved districts, the Council
2 shall not approve an additional district until the municipality retires the debt
3 incurred for all of the districts in the municipality.

4 (2) The Council shall not approve more than six districts in the State,
5 and not more than two per county, provided:

6 (A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted
7 against the limits imposed in this subdivision (2).

8 (B) The Council shall consider complete applications in the order
9 they are submitted, except that if during any calendar month the Council
10 receives applications for more districts than are actually available in a county,
11 the Council shall evaluate each application and shall approve the application
12 that, in the Council's discretion, best meets the economic development needs
13 of the county.

14 (C) If, while the General Assembly is not in session, the Council
15 receives applications for districts that would otherwise qualify for approval
16 but, if approved, would exceed the six-district limit in the State, the Council
17 shall make one or more presentations to the Emergency Board concerning the
18 applications, and the Emergency Board may, in its discretion, increase the six-
19 district limit.

1 (3)(A) A municipality shall immediately notify the Council if it resolves
2 not to incur debt for an approved district within five years of approval or a
3 five-year extension period as required in 24 V.S.A. § 1894.

4 (B) Upon receiving notification pursuant to subdivision (A) of this
5 subdivision 3, the Council shall terminate the district and may approve a new
6 district, subject to the provisions of this section and 24 V.S.A. chapter 53,
7 subchapter 5.

8 (4) Notwithstanding the limits on new districts imposed in this
9 subsection, after the Council has approved six additional districts, any
10 municipality may submit to the Council an application for a district pursuant to
11 the provisions of this section and 24 V.S.A. chapter 53, subchapter 5. The
12 Council shall consider the application, and if it determines that the application
13 otherwise qualifies for approval, the Council shall submit the application and
14 supporting materials to the General Assembly for its consideration of whether
15 to approve the additional district by statute.

16 Sec. 2. EFFECTIVE DATE

17 This act shall take effect on passage.