

1 H.548

2 Introduced by Representatives Marcotte of Coventry, Bancroft of Westford,
3 Botzow of Pownal, Hooper of Brookfield, Kimbell of
4 Woodstock, McCoy of Poultney, Myers of Essex, Sibia of
5 Dover, Smith of Derby, Sullivan of Dorset, Turner of Milton,
6 and Viens of Newport City

7 Referred to Committee on

8 Date:

9 Subject: Taxation; tax increment financing

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

13 An act relating to limiting additional TIF districts

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

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

16 (f) A municipality that establishes a tax increment financing district under
17 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties
18 contained within the district and apply not more than 70 percent of the State
19 education property tax increment, and not less than 85 percent of the municipal
20 property tax increment, to repayment of financing of the improvements and

1 related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by
2 the Vermont Economic Progress Council pursuant to this section, subject to the
3 following:

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

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

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

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

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

1 applications, and the Emergency Board may, in its discretion, increase the six-
2 district limit.

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

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

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

18 Sec. 2. EFFECTIVE DATE

19 This act shall take effect on passage.