

VERMONT TIF STATUTE AND AMENDMENTS
1998-2016

TIF statute is contained in two titles of Vermont statute:

Title 24: Municipal and County Government
Part 2: Municipalities
Chapter 53: Indebtedness
Subchapter 5: Tax Increment Financing
Sections: 1891-1901

And

Title 32: Taxation and Finance
Subtitle 2: Taxation
Part 2: Property Taxation
Chapter 135: Education Property Tax
Sections: 5401(10)(E)
5404a(f) – (l)

Title 24 contains the mechanics of tax increment financing for a municipality. Until Act 60, these sections applied to the municipality only. With the Statewide Education Property Tax, these sections were amended to adjust the TIF mechanics for utilization of incremental education property tax revenues.

The **Title 32** provisions direct how the EPT is to be utilized and how the TIF relates to the Education Fund. These sections also contain the approval criteria used by VEPC to determine if a TIF District can utilize incremental education property taxes to pay TIF debt.

Statute and Amendments:

1. 1985-1998: Original TIF statute in Title 24, prior to passage of Act 60. The Newport City TIF District and the Burlington Waterfront TIF District were created by the respective municipalities under this statute. There was no State involvement.
2. 1998 Amendments to Title 32:
 - a. Act 60: Provision “grandfathered in” the two existing TIF Districts (Newport and Burlington Waterfront) so they could also utilize the increments created by the newly enacted education property tax in addition to the incremental municipal property tax revenue. Note that there was NO other guidance for municipalities on how this would operate and these TIFs had no application or approval process.
 - b. Act 71: Provisions tied TIF Districts to the newly enacted EATI program, requiring job creation as part of a new application and approval process by VEPC. Only the Milton North/South TIF Districts (Husky/Catamount) were created and approved under this structure.
3. 1999: Act 159 Winooski TIF District: Session law creating a special TIF district in Winooski. This TIF had no approval or application process. Also included are subsequent amendments that applied only to the Winooski TIF in 2003 and 2008.
4. 2003: Act 68: amendment to Act 159 regarding Winooski
5. 2006: Act 184: First major overhaul of TIF Statute in both Titles 24 and 32. Added new criteria for VEPC approval of TIF Districts. Imposed cap of 10 new Districts approved within five state fiscal years beginning July 1, 2006. The “new” TIF Districts approved under this statute, as amended, were Milton Town Core; Burlington Downtown, Colchester, Hartford, St Albans, Barre City, and South Burlington. Also contained amendments to Milton North/South TIF District.
6. 2008: Act 190: Amendments to first major overhaul. Lowered cap to six Districts approved within five state fiscal years beginning July 1, 2008. Also amended Winooski TIF and Burlington Waterfront TIF.
7. 2009: Act 54 and Act 3 of Spec Session: Amended Milton North/South TIF and Burlington Waterfront TIF.
8. 2011: Act 45: Amendment to Burlington Waterfront TIF
9. 2013: Act 80: Second major overhaul of TIF statutes in Titles 24 and 32. (Current TIF law). Included requirement for adoption of a rule, oversight and monitoring by VEPC, Municipal and State audits, and authority for ACCD Secretary to issue decisions on TIF issues. Replaced cap with number of TIFs with list of TIFs approved and added authority to consider an application from South Burlington. Included amendment to Burlington Waterfront TIF.
10. 2014: Act 174: Minor amendments to changes made by Act 80 (2013)
11. 2015: Act 489: Minor amendments to changes made by Act 80 (2013)
12. 2016: Act 134: Amendment to Burlington Waterfront TIF District allowing extension of TIF for Burlington Town Center project.