

Office of Legislative Council  
Proposal for VEPC to extend total debt incurrence period  
February 24, 2020

1 Sec. X. 24 V.S.A. § 1894 is amended to read:

2 § 1894. POWER AND LIFE OF DISTRICT

3 (a) Incurring indebtedness.

4 (1) A municipality approved under 32 V.S.A. § 5404a(h) may incur  
5 indebtedness against revenues of the tax increment financing district at any  
6 time during a period of up to five years following the creation of the district. If  
7 no debt is incurred during this five-year period, the district shall terminate,  
8 unless the Vermont Economic Progress Council grants an extension to a  
9 municipality pursuant to ~~subsection (d)~~ subdivision (d)(1) of this section.

10 However, if any indebtedness is incurred within the first five years after the  
11 creation of the district, then the district has a total of ten years after the creation  
12 of the district to incur any additional debt unless the Vermont Economic  
13 Progress Council grants an extension to a municipality pursuant to subdivision  
14 (d)(2) of this section.

15 \* \* \*

16 (d) Approval of tax increment financing plan. The Vermont Economic  
17 Progress Council shall approve a municipality's tax increment financing plan  
18 prior to a public vote to pledge the credit of that municipality under subsection  
19 (h) of this section. The tax increment financing plan shall include all  
20 information related to the proposed financing necessary for approval by the  
21 Council and to ~~assure~~ ensure its viability and consistency with the tax  
22 increment financing district plan approved by the Council pursuant to 32

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1 V.S.A. § 5404a(h). The tax increment financing plan may be submitted to and  
2 approved by the Council concurrently with the tax increment financing district  
3 plan.

4 (1) If no indebtedness is incurred within five years after the creation of  
5 the district, the municipality may submit an updated executive summary of the  
6 tax increment financing district plan and an updated tax increment financing  
7 plan to the Council to obtain approval for a five-year extension of the period to  
8 incur indebtedness; provided, however, that the updated plan is submitted prior  
9 to the five-year termination date of the district. The Council shall review the  
10 updated tax increment financing plan to determine whether the plan has  
11 continued viability and consistency with the approved tax increment financing  
12 plan. Upon approval of the updated tax increment financing plan, the Council  
13 shall grant an extension of the period to incur indebtedness of ~~no~~ not more than  
14 five years. The submission of an updated tax increment financing plan as  
15 provided in this subsection shall operate as a stay of the termination of the  
16 district until the Council has determined whether to approve the plan.

17 (2) A municipality may submit an updated executive summary of the tax  
18 increment financing district plan and an updated tax increment financing plan  
19 to the Council to obtain approval for an extension of the total 10-year period to  
20 incur indebtedness. The Council shall review the updated tax increment  
21 financing plan to determine whether extenuating circumstances exist to require  
22 an extension. Upon approval of the updated tax increment financing plan, the

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1 Council shall grant an extension of the total period to incur indebtedness of not  
2 more than three years. The Vermont Economic Progress Council is authorized  
3 to adopt rules to implement this subdivision.

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