

H.436

An act relating to miscellaneous changes to Vermont's tax laws.

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:

First: By striking out Sec. 17, education property tax; yields; nonhomestead rate, in its entirety and inserting in lieu thereof the following to read:

Sec. 17. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR FISCAL YEAR 2022

(a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the property dollar equivalent yield shall be \$11,317.00.

(b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the income dollar equivalent yield shall be \$13,770.00.

(c) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law to the contrary, the tax rate for nonhomestead property for fiscal year 2022 shall be \$1.612 per \$100.00 of equalized education property value.

Second: By striking out Sec. 26, tax increment financing districts, in its entirety, and inserting in lieu thereof the following:

Sec. 26. 32 V.S.A. § 5404a(1) is amended to read:

(1) The State Auditor of Accounts shall conduct performance audits of all tax increment financing districts according to a schedule, which will be arrived

at in consultation with the Vermont Economic Progress Council. The cost of conducting each audit shall be considered a “related cost” as defined in 24 V.S.A. § 1891(6) and shall be billed back to the municipality. Audits conducted pursuant to this subsection shall include a review of a municipality’s adherence to relevant statutes and rules adopted by the Vermont Economic Progress Council pursuant to subsection (j) of this section, an assessment of record keeping related to revenues and expenditures, and a validation of the portion of the tax increment retained by the municipality and used for debt repayment and the portion directed to the Education Fund.

(1)(A) For municipalities with a district created prior to January 1, 2006 and a debt repayment schedule that anticipates retention of education increment beyond fiscal year 2016, an audit shall be conducted when approximately three-quarters of the period for retention of education increment has elapsed, and at the end of that same period, an audit shall be conducted for the final one-quarter period for retention of education increment, ~~except that for the Milton-Catamount/Husky district and the Burlington Waterfront district only a final audit shall be conducted to cover the period from the effective date of the rules pursuant to subdivision (j)(1) of this section to the end of the retention period.~~

(B) Notwithstanding subdivision (1)(A) of this subsection, the audit schedule for the Burlington Waterfront Tax Increment Financing District shall be as follows:

(i) an audit shall be conducted on or after October 1, 2021;

(ii) an audit shall be conducted not more than three years from the date debt is incurred as allowed by 2020 Acts and Resolves No. 175, Sec. 29 (4);

(iii) a final audit shall be conducted at the end of the retention period for the District.

* * *

Sec. 26a. 2020 Acts and Resolves No. 175, Sec. 29 is amended to read:

Sec. 29. TAX INCREMENT FINANCING DISTRICTS; DEBT
INCURRENCE PERIODS; EXTENSIONS

(a) Notwithstanding any other provision of law, the period to incur indebtedness is extended for the following tax increment financing districts:

(1) The Barre City Downtown Tax Increment Financing District is extended to ~~March 31, 2023~~ March 31, 2024.

(2) The Bennington Downtown Tax Increment Financing District is extended to ~~March 31, 2028~~ March 31, 2029.

(3) The Burlington Downtown Tax Increment Financing District is extended to ~~March 31, 2022~~ March 31, 2023.

(4) The three properties located within the Burlington Waterfront Tax Increment Financing District at 49 Church Street and 75 Cherry Street, as designated on the City of Burlington's Tax Parcel Maps as Parcel ID# 044-4-004-000, Parcel ID# 044-4-004-001, and Parcel ID# 044-4-033-000, is extended to ~~June 30, 2022~~ June 30, 2023; provided, however, that the extension of the period to incur indebtedness is subject to the City of Burlington's submission to the Vermont Economic Progress Council on or before ~~June 30, 2022~~ June 30, 2023 of an executed construction contract with a completion guarantee by the owner of the parcels evidencing commitment to construct not less than \$50 million of private development on the parcels.

(5) The Montpelier Tax Increment Financing District is extended to ~~March 31, 2029~~ March 31, 2030.

(6) The South Burlington Tax Increment Financing District is extended to ~~March 31, 2023~~ March 31, 2024.

(7) The St. Albans City Downtown Tax Increment Financing District is extended to ~~March 31, 2023~~ March 31, 2024.

(b) This section does not:

(1) extend any period that the municipal or education tax increment may be retained by the tax increment financing districts listed in subsection (a) of this section; or

(2) amend any other tax increment financing requirements set forth in 24 V.S.A. chapter 53, subchapter 5; 32 V.S.A. § 5404a; or the TIF District Rule adopted in May 2015, applicable to the tax increment financing districts listed in subsection (a) of this section.