

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred House Bill No. 84 entitled “An act relating to the downtown and
4 village center tax credit program” respectfully reports that it has considered the
5 same and recommends that the bill be amended by striking out all after the
6 enacting clause and inserting in lieu thereof the following:

7 Sec. 1. 32 V.S.A. § 5930aa is amended to read:

8 § 5930aa. DEFINITIONS

9 As used in this subchapter:

10 (1) “Qualified applicant” means an owner or lessee of a qualified
11 building involving a qualified project, but does not include a State or federal
12 agency or a political subdivision of either; or an instrumentality of the United
13 States.

14 (2) “Qualified building” means a building built at least 30 years before
15 the date of application, located within a designated downtown ~~or~~ village
16 center, or neighborhood development area, which, upon completion of the
17 project supported by the tax credit, will be an income-producing building not
18 used solely as a single-family residence. Churches and other buildings owned
19 by religious organization may be qualified buildings, but in no event shall tax
20 credits be used for religious worship.

21 (3) “Qualified code improvement project” means a project:

1 (A) to install or improve platform lifts suitable for transporting
2 personal mobility devices, limited use or limited application elevators,
3 elevators, sprinkler systems, and capital improvements in a qualified building,
4 and the installations or improvements are required to bring the building into
5 compliance with the statutory requirements and rules regarding fire prevention,
6 life safety, and electrical, plumbing, and accessibility codes as determined by
7 the Department of Public Safety;

8 (B) to abate lead paint conditions or other substances hazardous to
9 human health or safety in a qualified building; or

10 (C) to redevelop a contaminated property in a designated downtown
11 ~~or~~, village center, or neighborhood development area under a plan approved by
12 the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

13 (4) “Qualified expenditures” means construction-related expenses of the
14 taxpayer directly related to the project for which the tax credit is sought but
15 excluding any expenses related to a private residence.

16 (5) “Qualified façade improvement project” means the rehabilitation of
17 the façade of a qualified building that contributes to the integrity of the
18 designated downtown ~~or~~, designated village center, or neighborhood
19 development area. Façade improvements to qualified buildings listed, or
20 eligible for listing, in the State or National Register of Historic Places must be

1 consistent with Secretary of the Interior Standards, as determined by the
2 Vermont Division for Historic Preservation.

3 * * *

4 Sec. 2. 32 V.S.A. § 5930ee is amended to read:

5 § 5930ee. LIMITATIONS

6 Beginning in fiscal year 2010 and thereafter, the State Board may award tax
7 credits to all qualified applicants under this subchapter, provided that:

8 (1) the total amount of tax credits awarded annually, together with sales
9 tax reallocated under section 9819 of this title, does not exceed ~~\$3,000,000.00~~

10 \$4,750,000.00.

11 * * *

12 (5) credit under any one subsection of 5930cc of this subchapter may
13 not be allocated more often than once every two years with respect to the same
14 building; ~~and~~

15 (6) credit awarded under section 5930cc of this subchapter that is
16 rescinded or recaptured by the State Board shall be available for the State
17 Board to award to applicants in any subsequent year, in addition to the total
18 amount of tax credits authorized under this section;

19 (7) the total amount of tax credits awarded annually to qualified projects
20 located with neighborhood development areas does not exceed \$750,000.00;
21 and

1 Sec. 4. 24 V.S.A. § 2793e is amended to read:

2 § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
3 NEIGHBORHOOD DEVELOPMENT AREAS

4 * * *

5 (f) Neighborhood development area incentives for developers. Once a
6 municipality has a designated neighborhood development area or has a
7 Vermont neighborhood designation pursuant to section 2793d of this title, any
8 proposed development within that area shall be eligible for each of the benefits
9 listed in this subsection. These benefits shall accrue upon approval by the
10 district coordinator, who shall review the density requirements set forth in
11 subdivision (c)(7) of this section to determine benefit eligibility and issue a
12 jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density
13 requirements are met. These benefits are:

14 (1) ~~The~~ the application fee limit for wastewater applications stated in
15 3 V.S.A. § 2822(j)(4)(D);

16 (2) ~~The~~ the application fee reduction for residential development stated
17 in 10 V.S.A. § 6083a(d);

18 (3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A.
19 § 10002(p); and

20 (4) eligibility for the Downtown and Village Center Tax Credit Program
21 described in 32 V.S.A. § 5930aa et seq.

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Sec. 5. 24 V.S.A. § 2794 is amended to read:

§ 2794. INCENTIVES FOR PROGRAM DESIGNEES

(a) Upon designation by the Vermont Downtown Development Board under section 2793 of this title, a downtown development district and projects in a downtown development district shall be eligible for the following:

(1) Priority consideration by any agency of the State administering any State or federal assistance program providing funding or other aid to a municipal downtown area with consideration given to such factors as the costs and benefits provided and the immediacy of those benefits, provided the project is eligible for the assistance program.

(2) ~~The following State tax credits:~~

~~(A) A State historic rehabilitation tax credit of 10 percent under 32 V.S.A. § 5930ee(a) that meets the requirements for the federal rehabilitation tax credit.~~

~~(B) A State façade improvement tax credit of 25 percent under 32 V.S.A. § 5930ee(b).~~

~~(C) A State code improvement tax credit of 50 percent under 32 V.S.A. § 5930ee(e) The Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.~~

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1 **Sec. 6. REPORT**

2 On or before January 15, 2026, the Department of Housing and Community
3 Development shall report to the House Committees on Commerce and
4 Economic Development, on General, Housing, and Military Affairs, and on
5 Ways and Means and the Senate Committees on Economic Development,
6 Housing, and General Affairs and on Finance on the number and location of
7 new neighborhood development areas, the amount of tax credits allocated
8 annually to neighborhood development areas under 32 V.S.A. § 5930aa et seq.,
9 the location of the projects, the number of housing units produced, the cost per
10 unit, any recommended changes to the programs, and whether to extend the
11 sunset in 32 V.S.A. § 5930ee(8).

12 **Sec. 7. EFFECTIVE DATE**

13 This act shall take effect on July 1, 2021.

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16 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE