1	H.84
2	Introduced by Representatives Kimbell of Woodstock and Marcotte of
3	Coventry
4	Referred to Committee on
5	Date:
6	Subject: Tax; tax credits; designated centers; neighborhood development areas
7	Statement of purpose of bill as introduced: This bill proposes to extend the
8	downtown and village center tax credit program to neighborhood development
9	areas as well as raise the cap on the amount of tax credits available.
10	An act relating to the downtown and village center tax credit program
11	It is hereby enacted by the General Assembly of the State of Vermont:
12	Sec. 1. 32 V.S.A. § 5930aa is amended to read:
13	§ 5930aa. DEFINITIONS
14	As used in this subchapter:
15	(1) "Qualified applicant" means an owner or lessee of a qualified
16	building involving a qualified project, but does not include a State or federal
17	agency or a political subdivision of either; or an instrumentality of the United
18	States.
19	(2) "Qualified building" means a building built at least 30 years before
20	the date of application, located within a designated downtown or, village

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1	center, or neighborhood development area, which, upon completion of the
2	project supported by the tax credit, will be an income-producing building not
3	used solely as a single-family residence. Churches and other buildings owned
4	by religious organization may be qualified buildings, but in no event shall tax
5	credits be used for religious worship.
6	(3) "Qualified code improvement project" means a project:
7	(A) to install or improve platform lifts suitable for transporting
8	personal mobility devices, limited use or limited application elevators,
9	elevators, sprinkler systems, and capital improvements in a qualified building,
10	and the installations or improvements are required to bring the building into
11	compliance with the statutory requirements and rules regarding fire prevention,
12	life safety, and electrical, plumbing, and accessibility codes as determined by
13	the Department of Public Safety;
14	(B) to abate lead paint conditions or other substances hazardous to
15	human health or safety in a qualified building; or
16	(C) to redevelop a contaminated property in a designated downtown
17	or, village center, or neighborhood development area under a plan approved by
18	the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.
19	(4) "Qualified expenditures" means construction-related expenses of the

taxpayer directly related to the project for which the tax credit is sought but

excluding any expenses related to a private residence.

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1	(5) "Qualified façade improvement project" means the rehabilitation of
2	the façade of a qualified building that contributes to the integrity of the
3	designated downtown or, designated village center, or neighborhood
4	development area. Façade improvements to qualified buildings listed, or
5	eligible for listing, in the State or National Register of Historic Places must be
6	consistent with Secretary of the Interior Standards, as determined by the
7	Vermont Division for Historic Preservation.
8	* * *
9	Sec. 2. 32 V.S.A. § 5930ee is amended to read:
10	§ 5930ee. LIMITATIONS
11	Beginning in fiscal year 2010 and thereafter, the State Board may award tax
12	credits to all qualified applicants under this subchapter, provided that:
13	(1) the total amount of tax credits awarded annually, together with sales
14	tax reallocated under section 9819 of this title, does not exceed \$3,000,000.00
15	<u>\$4,000,000.00</u> .
16	* * *
17	Sec. 3. 24 V.S.A. § 2793a is amended to read:
18	§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

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1	(c) A village center designated by the State Board pursuant to
2	subsection (a) of this section is eligible for the following development
3	incentives and benefits:
4	* * *
5	(4) The following State tax credits for projects located in a designated
6	village center:
7	(A) A State historic rehabilitation tax credit of ten percent under 32
8	V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation
9	tax credit.
10	(B) A State façade improvement tax credit of 25 percent under 32
11	V.S.A. § 5930cc(b).
12	(C) A State code improvement tax credit of 50 percent under 32
13	V.S.A. § 5930cc(c) The Downtown and Village Center Tax Credit Program
14	described in 32 V.S.A. § 5930aa et seq.
15	* * *
16	Sec. 4. 24 V.S.A. § 2793e is amended to read:
17	§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
18	NEIGHBORHOOD DEVELOPMENT AREAS
19	* * *
20	(f) Neighborhood development area incentives for developers. Once a

municipality has a designated neighborhood development area or has a

1	Vermont neighborhood designation pursuant to section 2793d of this title, any
2	proposed development within that area shall be eligible for each of the benefits
3	listed in this subsection. These benefits shall accrue upon approval by the
4	district coordinator, who shall review the density requirements set forth in
5	subdivision (c)(7) of this section to determine benefit eligibility and issue a
6	jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density
7	requirements are met. These benefits are:
8	(1) The the application fee limit for wastewater applications stated in
9	3 V.S.A. § 2822(j)(4)(D) -;
10	(2) The the application fee reduction for residential development stated
11	in 10 V.S.A. § 6083a(d)- <u>:</u>
12	(3) The the exclusion from the land gains tax provided by 32 V.S.A.
13	§ 10002(p)- <u>: and</u>
14	(4) eligibility for the Downtown and Village Center Tax Credit Program
15	described in 32 V.S.A. § 5930aa et seq.
16	* * *
17	Sec. 5. 24 V.S.A. § 2794 is amended to read:
18	§ 2794. INCENTIVES FOR PROGRAM DESIGNEES
19	(a) Upon designation by the Vermont Downtown Development Board
20	under section 2793 of this title, a downtown development district and projects

in a downtown development district shall be eligible for the following:

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1	(1) Priority consideration by any agency of the State administering any
2	State or federal assistance program providing funding or other aid to a
3	municipal downtown area with consideration given to such factors as the costs
4	and benefits provided and the immediacy of those benefits, provided the
5	project is eligible for the assistance program.
6	(2) The following State tax credits:
7	(A) A State historic rehabilitation tax credit of 10 percent under 32
8	V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation
9	tax credit.
10	(B) A State façade improvement tax credit of 25 percent under 32
11	V.S.A. § 5930cc(b).
12	(C) A State code improvement tax credit of 50 percent under 32
13	V.S.A. § 5930cc(c) The Downtown and Village Center Tax Credit Program
14	described in 32 V.S.A. § 5930aa et seq.
15	* * *
16	Sec. 6. EFFECTIVE DATE
17	This act shall take effect on July 1, 2021.