

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred Senate Bill No. 33 entitled “An act relating to project-based tax
4 increment financing districts” respectfully reports that it has considered the
5 same and recommends that the House propose to the Senate that the bill be
6 amended as follows:

7 First: In Sec. 2, 32 V.S.A. § 5404a, by striking out subdivision (b)(2) in its
8 entirety and inserting in lieu thereof the following:

9 (2) Notwithstanding any other provision of law, if a municipality has
10 entered into an agreement that reduces the municipality’s education property
11 tax liability under this chapter and the municipality establishes a tax increment
12 financing district under 24 V.S.A. chapter 53, subchapter 5, for the properties
13 located within both the agreement and the tax increment financing district, the
14 municipality’s municipal and education tax increment shall be calculated based
15 on the assessed value of the properties in the municipality’s grand list and not
16 on the stabilized value.

17 by striking out subdivision (f)(4) and its following asterisks in their entirety,
18 and in subdivision (h)(4)(C), by adding after the second sentence, “For
19 environmental remediation of a brownfield, this shall include the cost of the
20 site preparation needed to stimulate development or redevelopment in the tax

1 increment financing district as identified in clean-up documentation approved
2 by a regulatory agency.”

3 Second: By striking out Sec. 3, tax increment financing project development;
4 pilot program, in its entirety and by renumbering the remaining sections to be
5 numerically correct.

6 Third: In the newly renumbered Sec. 3, 24 V.S.A. § 1891, in subdivision (7),
7 in the first sentence, by inserting “and related costs” after “improvements” and
8 by striking out “and related costs” after “improvements” in the second
9 sentence.

10 Fourth: In the newly renumbered Sec. 4, 24 V.S.A. § 1895, in subsection (b),
11 by inserting “when the district is established” after “Any parcel within a
12 district” in the first sentence.

13 Fifth: By striking out in the newly renumbered Sec. 5, effective date, in its
14 entirety and inserting in lieu thereof the following:

15 Sec. 5. 24 V.S.A. § 1896 is amended to read:

16 § 1896. TAX INCREMENTS

17 (a) In each year following the creation of the district, the listers or assessor
18 shall include ~~no~~ not more than the original taxable value of the real property in
19 the assessed valuation upon which the treasurer computes the rates of all taxes
20 levied by the municipality and every other taxing district in which the tax
21 increment financing district is situated; but the treasurer shall extend all rates

1 so determined against the entire assessed valuation of real property for that
2 year. In each year ~~for which the assessed valuation exceeds the original~~
3 ~~taxable value~~, the municipality shall hold apart, rather than remit to the taxing
4 districts, that proportion of all taxes paid that year on the real property in the
5 district ~~which~~ that the excess valuation bears to the total assessed valuation.

6 The amount held apart each year is the “tax increment” for that year. ~~No~~ Not
7 more than the percentages established pursuant to section 1894 of this
8 subchapter of the municipal and State education tax increments received with
9 respect to the district and committed for the payment for financing for
10 improvements and related costs shall be segregated by the municipality in a
11 special tax increment financing account and in its official books and records
12 until all capital indebtedness of the district has been fully paid. The final
13 payment shall be reported to the treasurer, who shall thereafter include the
14 entire assessed valuation of the district in the assessed valuations upon which
15 municipal and other tax rates are computed and extended and thereafter no
16 taxes from the district shall be deposited in the district’s tax increment
17 financing account.

18 * * *

19 (e) In each year, a municipality shall remit not less than the aggregate
20 original taxable value to the Education Fund.

21 Sec. 6. EFFECTIVE DATE

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

2 and that after passage the title of the bill be amended to read: “An act relating
3 to miscellaneous tax increment financing district provisions”

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6 (Committee vote: _____)

7

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Representative _____

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FOR THE COMMITTEE