

1 Sec. A. 24 V.S.A. § 1891 is amended to read:

2 § 1891. DEFINITIONS

3 ~~When~~ As used in this subchapter:

4 * * *

5 (4) “Improvements” means the installation, new construction, or
6 reconstruction of infrastructure that will serve a public purpose and fulfill the
7 purpose of tax increment financing districts as stated in section 1893 of this
8 subchapter, including utilities, transportation, public facilities and amenities,
9 land and property acquisition and demolition, and site preparation.

10 “Improvements” also means the funding of debt service interest payments for a
11 period of up to five years, beginning on the date in which the first debt is
12 incurred.

13 * * *

14 (7) “Financing” means debt incurred, including principal, interest, and
15 any fees or charges directly related to that debt, or other instruments or
16 borrowing used by a municipality to pay for improvements in a tax increment
17 financing district, only if authorized by the legal voters of the municipality in
18 accordance with section 1894 of this subchapter. Payment for the cost of
19 district improvements and related costs may also include direct payment by the
20 municipality using the district increment. However, such payment is also
21 subject to a vote by the legal voters of the municipality in accordance with

1 section 1894 of this subchapter and, if not included in the tax increment
2 financing plan approved under subsection 1894(d) of this subchapter, is also
3 considered a substantial change and subject to the review process provided by
4 subdivision 1901(2)(B) of this subchapter. If interfund loans within the
5 municipality are used as the method of financing, no interest shall be charged.
6 Bond anticipation notes may be used as a method of financing and may qualify
7 as a district’s first incurrence of debt. A municipality that uses a bond
8 anticipation note during the fifth year or tenth year that a district may incur
9 debt pursuant to section 1894 of this title shall incur all permanent financing
10 not more than one year after issuing the bond anticipation note.

11 * * *

12 Sec. B. 24 V.S.A. 1892(d) is amended to read:

13 (d) The following municipalities have been authorized to use education tax
14 increment financing for a tax increment financing district:

- 15 (1) the City of Burlington, Downtown;
- 16 (2) the City of Burlington, Waterfront;
- 17 (3) the ~~Town of Milton, North and South~~ Town of Bennington;
- 18 (4) the ~~City of Newport~~ City of Montpelier;
- 19 (5) the City of Winooski;
- 20 (6) the ~~Town of Colchester~~;
- 21 (7) ~~the~~ Town of Hartford;

- 1 ~~(8)~~(7) the City of St. Albans;
2 ~~(9)~~(8) the City of Barre;
3 ~~(10)~~(9) the Town of Milton, Town Core; and
4 ~~(11)~~(10) the City of South Burlington.

5 Sec. C. 24 V.S.A. § 1895 is amended to read:

6 § 1895. ORIGINAL TAXABLE VALUE

7 (a) Certification. As of the date the district is created, the lister or assessor
8 for the municipality shall certify the original taxable value and shall certify to
9 the legislative body in each year thereafter during the life of the district the
10 amount by which the total valuation as determined in accordance with
11 32 V.S.A. chapter 129 of all taxable real property located within the tax
12 increment financing district has increased or decreased relative to the original
13 taxable value.

14 (b) Boundary of the district. Any parcel within a district shall be located
15 wholly within the boundaries of a district. No adjustments to the boundary of a
16 district are permitted after the approval of a tax increment financing district
17 plan as described in section 1894 of this title.

18 Sec. D. 24 V.S.A. § 1896 is amended to read:

19 § 1896. TAX INCREMENTS

20 (a) In each year following the creation of the district, the listers or assessor
21 shall include ~~no~~ not more than the original taxable value of the real property in

1 the assessed valuation upon which the treasurer computes the rates of all taxes
2 levied by the municipality and every other taxing district in which the tax
3 increment financing district is situated; but the treasurer shall extend all rates
4 so determined against the entire assessed valuation of real property for that
5 year. In each year ~~for which the assessed valuation exceeds the original~~
6 ~~taxable value~~, the municipality shall hold apart, rather than remit to the taxing
7 districts, that proportion of all taxes paid that year on the real property in the
8 district ~~which~~ that the excess valuation bears to the total assessed valuation.
9 The amount held apart each year is the “tax increment” for that year. ~~No~~ Not
10 more than the percentages established pursuant to section 1894 of this
11 subchapter of the municipal and State education tax increments received with
12 respect to the district and committed for the payment for financing for
13 improvements and related costs shall be segregated by the municipality in a
14 special tax increment financing account and in its official books and records
15 until all capital indebtedness of the district has been fully paid. The final
16 payment shall be reported to the treasurer, who shall thereafter include the
17 entire assessed valuation of the district in the assessed valuations upon which
18 municipal and other tax rates are computed and extended and thereafter no
19 taxes from the district shall be deposited in the district’s tax increment
20 financing account.

21 * * *

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

3 Sec. E. 32 V.S.A. § 5404a is amended to read:

4 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
5 FINANCING DISTRICTS

6 (a) A tax agreement or exemption shall affect the education property tax
7 grand list of the municipality in which the property subject to the agreement is
8 located if the agreement or exemption is:

9 * * *

10 (b)(1) An agreement affecting the education property tax grand list defined
11 under subsection (a) of this section shall reduce the municipality's education
12 property tax liability under this chapter for the duration of the agreement or
13 exemption without extension or renewal, and for a maximum of 10 years. A
14 municipality's property tax liability under this chapter shall be reduced by any
15 difference between the amount of the education property taxes collected on the
16 subject property and the amount of education property taxes that would have
17 been collected on such property if its fair market value were taxed at the
18 equalized nonhomestead rate for the tax year.

19 (2) Notwithstanding any other provision of law, if a municipality has
20 entered into an agreement that reduces the municipality's education property
21 tax liability under this chapter and the municipality establishes a tax increment

1 financing district under 24 V.S.A. chapter 53, subchapter 5, the municipality's
2 municipal and education tax increment shall be calculated based on the
3 assessed value of the properties in the municipality's grand list and not on the
4 stabilized value.

5 * * *

6 (f) A municipality that establishes a tax increment financing district under
7 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties
8 contained within the district and apply not more than 70 percent of the State
9 education property tax increment, and not less than 85 percent of the municipal
10 property tax increment, to repayment of financing of the improvements and
11 related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by
12 the Vermont Economic Progress Council pursuant to this section, subject to the
13 following:

14 (1) In a municipality with one or more approved districts, the Council
15 shall not approve an additional district until the municipality retires the debt
16 incurred for all of the districts in the municipality.

17 (2) The Council shall not approve more than ~~six~~ four districts in the
18 State, and not more than two per county, provided:

19 (A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted
20 against the limits imposed in this subdivision (2).

1 (B) The Council shall consider complete applications in the order
2 they are submitted, except that if during any calendar month the Council
3 receives applications for more districts than are actually available in a county,
4 the Council shall evaluate each application and shall approve the application
5 that, in the Council’s discretion, best meets the economic development needs
6 of the county.

7 (C) If, while the General Assembly is not in session, the Council
8 receives applications for districts that would otherwise qualify for approval
9 but, if approved, would exceed the ~~six-district~~ four-district limit in the State,
10 the Council shall make one or more presentations to the Emergency Board
11 concerning the applications, and the Emergency Board may, in its discretion,
12 increase the six-district limit.

13 (D) The Council shall not approve more than one district in
14 Bennington County and one district in Washington County.

15 * * *

16 (h) To approve utilization of incremental revenues pursuant to subsection
17 (f) of this section:

18 * * *

19 (4) Project criteria. Determine that the proposed development within a
20 tax increment financing district will accomplish at least three of the following
21 five criteria:

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* * *

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. In the case of a brownfield, the Vermont Economic Progress Council is authorized to adopt rules pursuant to subsection (j) of this section to clarify what is a reasonable improvement, as defined in 24 V.S.A. § 1891, to remediate and stimulate the development or redevelopment in the district. As used in this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

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