

1 TO THE HONORABLE SENATE:

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

6 First: By striking out Sec. 2, amending 32 V.S.A. § 5404a, and inserting in
7 lieu thereof the following:

8 § 5404A. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
9 FINANCING DISTRICTS

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

13 * * *

14 (b)(1) An agreement affecting the education property tax grand list defined
15 under subsection (a) of this section shall reduce the municipality’s education
16 property tax liability under this chapter for the duration of the agreement or
17 exemption without extension or renewal, and for a maximum of 10 years. A
18 municipality’s property tax liability under this chapter shall be reduced by any
19 difference between the amount of the education property taxes collected on the
20 subject property and the amount of education property taxes that would have

1 district, a municipality shall pay the amount equal to the tax calculated based
2 on the original taxable value to the Education Fund.

3 * * *

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

7 * * *

8 (C) The project will affect the remediation and redevelopment of a
9 brownfield located within the district. In the case of a brownfield, the Vermont
10 Economic Progress Council is authorized to adopt rules pursuant to subsection
11 (j) of this section to clarify what is a reasonable improvement, as defined in
12 24 V.S.A. § 1891, to remediate and stimulate the development or
13 redevelopment in the district. As used in this section, “brownfield” means an
14 area in which a hazardous substance, pollutant, or contaminant is or may be
15 present, and that situation is likely to complicate the expansion, development,
16 redevelopment, or reuse of the property.

17 * * *

18 Second: In Sec. 3, Tax Increment Financing Project Development; Pilot
19 Program, in subdivision (a)(2), by striking out “district” and inserting in lieu
20 thereof project after “coordinate a” and “the life of a”, and by striking out
21 subsection (b) in its entirety and inserting in lieu thereof the following:

1 borrowing used by a municipality to pay for improvements in a tax increment
2 financing district, only if authorized by the legal voters of the municipality in
3 accordance with section 1894 of this subchapter. Payment for the cost of
4 district improvements and related costs may also include direct payment by the
5 municipality using the district increment. However, such payment is also
6 subject to a vote by the legal voters of the municipality in accordance with
7 section 1894 of this subchapter and, if not included in the tax increment
8 financing plan approved under subsection 1894(d) of this subchapter, is also
9 considered a substantial change and subject to the review process provided by
10 subdivision 1901(2)(B) of this subchapter. If interfund loans within the
11 municipality are used as the method of financing, no interest shall be charged.
12 Bond anticipation notes may be used as a method of financing and may qualify
13 as a district's first incurrence of debt. A municipality that uses a bond
14 anticipation note during the fourth year or tenth year that a district may incur
15 debt pursuant to section 1894 of this title shall incur all permanent financing
16 not more than one year after issuing the bond anticipation note.

17 * * *

18 Fourth: By adding a Sec. 4, amending 24 V.S.A. § 1895, to read as follows:

19 (a) Certification. As of the date the district is created, the lister or assessor
20 for the municipality shall certify the original taxable value and shall certify to
21 the legislative body in each year thereafter during the life of the district the

1 amount by which the total valuation as determined in accordance with
2 32 V.S.A. chapter 129 of all taxable real property located within the tax
3 increment financing district has increased or decreased relative to the original
4 taxable value.

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

9 and by renumbering the remaining sections to be numerically correct.

10

11

12

13 (Committee vote: _____)

14

15

Senator _____

16

FOR THE COMMITTEE