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**Sent:** Tuesday, May 10, 2022 1:58 PM  
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**Cc:** Faith Brown <FBrown@leg.state.vt.us>; Vintinner, Jessica <jessica.vintinner@vermont.gov>; joan.goldstein@vermont.gov  
**Subject:** S.33 - TIF Clarification Changes  
**Importance:** High

Sen. Cummings,

Regarding the House Proposal of Amendment to S.33:

- Section 1 - 24 VSA 1891 (7) “Financing” TIF Rule currently allows for the financing of related costs and is in practice within the TIF Districts. Adding the revision below will make statute consistent with TIF Rule. Omitting it could add complexity rather than clarity to administration of the TIF program.  
  
(7) “Financing” means debt incurred, including principal, interest, and any fees or charges directly related to that debt, or other instruments or borrowing used by a municipality to pay for improvements **and related costs** in a tax increment financing district, only if authorized by the legal voters of the municipality in accordance with section 1894 of this subchapter.
- Section 5 – 32 VSA 5404a(b)(2): The proposed language needs added clarity because without it the language could be interpreted to mean that TIFs need to base their tax increment calculations on the *aggregate assessed* values rather than the *taxable* values. The revised calculation should only be applied to those parcels that both have an agreement and are in the TIF. The amendments that came out of House Commerce last year in S.33 provided the clarity needed (yellow highlighted text below).  
  
(2) Notwithstanding any other provision of law, if a municipality has entered into an agreement that reduces the municipality’s education property tax liability under this chapter and the municipality establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5, **for the properties located within both the agreement and the tax increment financing districts**, the municipality’s municipal and education tax increment shall be calculated based on the assessed value of the properties in the municipality’s grand list and not on the stabilized value.
- The Proposal of Amendment has removed the clarifying language regarding brownfield remediation. You may remember this as the extensive conversation last year around “dirt” stemming from the St. Albans State Audit. Without this clarifying language in statute, VEPC will need to provide the clarification in TIF Rule. Alternatively, the House Commerce version of the amendment from last year would be preferred in 32 VSA 5404a(h)(4)(C):  
  
(C) The project will affect the remediation and redevelopment of a brownfield located within the district. For environmental remediation of a brownfield, this shall include the

cost of the site preparation needed to stimulate development or redevelopment in the tax increment financing district as identified in clean-up documentation approved by a regulatory agency. 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.

Thanks,  
Abbie

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