

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred Senate Bill No.  
3 94 entitled “An act relating to the City of Barre tax increment financing  
4 district” respectfully reports that it has considered the same and recommends  
5 that the House propose to the Senate that the bill be amended by striking out all  
6 after the enacting clause and inserting in lieu thereof the following:

7 \* \* \* Vermont Economic Progress Council \* \* \*

8 Sec. 1. 32 V.S.A. § 3325 is amended to read:

9 § 3325. VERMONT ECONOMIC PROGRESS COUNCIL

10 (a) Creation. The Vermont Economic Progress Council is created to  
11 exercise the authority and perform the duties assigned to it, including its  
12 authority and duties relating to:

13 (1) the Vermont Employment Growth Incentive Program pursuant to  
14 subchapter 2 of this chapter; and

15 (2) tax increment financing districts pursuant to 24 V.S.A. chapter 53,  
16 subchapter 5 and section 5404a of this title.

17 (b) Membership.

18 (1) The Council shall have 11 voting members:

19 (A) nine residents of the State appointed by the Governor with the  
20 advice and consent of the Senate who are knowledgeable and experienced in  
21 the subjects of community development and planning, education funding

1 requirements, economic development, State fiscal affairs, property taxation, or  
2 entrepreneurial ventures and represent diverse geographical areas of the State  
3 and municipalities of various sizes;

4 (B) one member of the Vermont House of Representatives appointed  
5 by the Speaker of the House; and

6 (C) one member of the Vermont Senate appointed by the Senate  
7 Committee on Committees.

8 (2)(A) The Council shall have two regional members from each region  
9 of the State, one appointed by the regional development corporation of the  
10 region and one appointed by the regional planning commission of the region.

11 (B) A regional member shall be a nonvoting member and shall serve  
12 during consideration by the Council of an application from ~~his or her~~ the  
13 member's region.

14 (3) The Council shall provide not less than 30 days' notice of a vacancy  
15 to the relevant appointing authority, which shall appoint a replacement not  
16 later than 30 days after receiving notice.

17 \* \* \*

18 (e) Operation.

19 (1) The Governor shall appoint a chair from the Council's members.

20 (2) The Council shall receive administrative support from the Agency of  
21 Commerce and Community Development and the Department of Taxes.



1 Sec. 2. 32 V.S.A. § 3326 is amended to read:

2 § 3326. COST-BENEFIT MODEL

3 (a) The Council shall adopt and maintain a cost-benefit model for assessing  
4 and measuring the projected net fiscal cost and benefit to the State of proposed  
5 economic development activities.

6 (b) The Council shall not modify the cost-benefit model without the prior  
7 approval of the Joint Fiscal Committee.

8 (c)(1) The Council shall contract with the Executive Branch State  
9 economist to perform the cost-benefit analysis using the cost-benefit model  
10 when considering an application for incentives under subchapter 2 of this  
11 chapter.

12 (2) The Executive Branch State economist shall consult with the Joint  
13 Fiscal Office or its agent concerning the performance of the cost-benefit  
14 analysis and the operation of the cost-benefit model for an application:

15 (A) in which the value of potential incentives an applicant may earn  
16 equals or exceeds \$1,000,000.00; or

17 (B) that qualifies for an enhanced incentive pursuant to section 3334  
18 of this title for a business that is located in a qualifying labor market area.

19 Sec. 3. 32 V.S.A. § 3340 is amended to read:

20 § 3340. REPORTING

1 (a) On or before September 1 of each year, the Vermont Economic  
2 Progress Council and the Department of Taxes shall submit a joint report on  
3 the incentives authorized in this subchapter to the House Committees on Ways  
4 and Means, on Commerce and Economic Development, and on  
5 Appropriations, to the Senate Committees on Finance, on Economic  
6 Development, Housing and General Affairs, and on Appropriations, and to the  
7 Joint Fiscal Committee.

8 (b) The Council and the Department shall include in the joint report:

9 (1) the total amount of incentives authorized during the preceding year;

10 (2) ~~with respect to~~ for each business with an approved application:

11 (A) the date and amount of authorization;

12 (B) the calendar year or years in which the authorization is expected  
13 to be exercised;

14 (C) whether the authorization is active; ~~and~~

15 (D) the date the authorization will expire; ~~and~~

16 (E) the number of new qualifying jobs anticipated to be created and  
17 the anticipated Vermont gross wages and salaries for each new qualifying job,

18 sorted by the following annualized amounts:

19 (i) less than \$38,380.00;

20 (ii) \$38,380.00–\$43,863.00;

21 (iii) \$43,864.00–\$50,000.00;

1                    (iv) \$50,001.00–\$60,000.00;

2                    (v) \$60,001.00–\$75,000.00;

3                    (vi) \$75,001.00–\$100,000.00;

4                    (vii) more than \$100,000.00;

5                    (F) the amount of new full-time payroll anticipated to be created; and

6                    (G) NAICS code; and

7                    (3) the following ~~aggregate~~ information:

8                    (A) the number of claims and incentive payments made in the current  
9                    and prior claim years and the amount of the incentive payment made to each  
10                    business with an approved claim;

11                    (B) for each approved claim, the number of qualifying jobs and the  
12                    Vermont gross wages and salaries for each new qualifying job, sorted by the  
13                    following annualized amounts:

14                    (i) less than \$38,380.00;

15                    (ii) \$38,380.00–\$43,863.00;

16                    (iii) \$43,864.00–\$50,000.00;

17                    (iv) \$50,001.00–\$60,000.00;

18                    (v) \$60,001.00–\$75,000.00;

19                    (vi) \$75,001.00–\$100,000.00;

20                    (vii) more than \$100,000.00; and

1 (C) for each approved claim, the amount of new payroll and capital  
2 investment.

3 (c)(1) The Council and the Department shall present data and information in  
4 the joint report in a searchable format.

5 (2) Notwithstanding a provision of this section to the contrary, when  
6 reporting data and information pursuant to this section, the Council and  
7 Department shall take steps necessary to avoid disclosing any information that  
8 would enable the identification of an individual employee or the employee's  
9 compensation.

10 (d) Notwithstanding any provision of law to the contrary, an incentive  
11 awarded pursuant to this subchapter shall be treated as a tax expenditure for  
12 purposes of chapter 5 of this title.

13 Sec. 4. 32 V.S.A. § 3341 is amended to read:

14 § 3341. CONFIDENTIALITY OF PROPRIETARY BUSINESS  
15 INFORMATION

16 (a) The Vermont Economic Progress Council and the Department of Taxes  
17 shall use measures to protect proprietary financial information, including  
18 reporting information in an aggregate form.

19 (b) Information and materials submitted by a business concerning its  
20 application, income taxes, and other confidential financial information shall  
21 not be subject to public disclosure under the State's public records law in

1 1 V.S.A. chapter 5, but shall be available to the Joint Fiscal Office or its agent  
2 upon authorization of the Joint Fiscal Committee or a standing committee of  
3 the General Assembly, and shall also be available to the Auditor of Accounts  
4 in connection with the performance of duties under section 163 of this title;  
5 provided, however, that the Joint Fiscal Office or its agent and the Auditor of  
6 Accounts shall not disclose, directly or indirectly, to any person any  
7 proprietary business information or any information that would identify a  
8 business except in accordance with a judicial order or as otherwise specifically  
9 provided by law.

10 (c) Nothing in this section shall be construed to prohibit the publication of  
11 statistical information, rulings, determinations, reports, opinions, policies, or  
12 other information so long as the data are disclosed in a form that cannot  
13 identify or be associated with a particular business.

14 \* \* \* Tax Increment Financing Districts \* \* \*

15 Sec. 5. 24 V.S.A. § 1891 is amended to read:

16 § 1891. DEFINITIONS

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

18 \* \* \*

19 (4) “Improvements” means the installation, new construction, or  
20 reconstruction of infrastructure that will serve a public purpose and fulfill the  
21 purpose of tax increment financing districts as stated in section 1893 of this



1 subchapter, including utilities, transportation, public facilities and amenities,  
2 land and property acquisition and demolition, and site preparation.

3 “Improvements” does not include the funding of debt service payments.

4 \* \* \*

5 (7) “Financing” means debt incurred, including principal, interest, and  
6 any fees or charges directly related to that debt, or other instruments or  
7 borrowing used by a municipality to pay for improvements in a tax increment  
8 financing district, only if authorized by the legal voters of the municipality in  
9 accordance with section 1894 of this subchapter. Payment for the cost of  
10 district improvements may also include direct payment by the municipality  
11 using the district increment. However, such payment is also subject to a vote  
12 by the legal voters of the municipality in accordance with section 1894 of this  
13 subchapter and, if not included in the tax increment financing plan approved  
14 under subsection 1894(d) of this subchapter, is also considered a substantial  
15 change and subject to the review process provided by subdivision 1901(2)(B)  
16 of this subchapter. If interfund loans within the municipality are used as the  
17 method of financing, no interest shall be charged. Bond anticipation notes may  
18 be used as a method of financing; provided, however, that bond anticipation  
19 notes shall not be considered a first incurrence of debt pursuant to subsection  
20 1894(a) of this subchapter.

21 \* \* \*



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\* \* \*

(h) Annually, based on the analysis and recommendations included in the reports required in this section, the General Assembly shall consider the amount of new long-term net debt that prudently may be authorized for TIF districts in the next fiscal year and determine whether to expand the number of active TIF districts or similar economic development tools ~~in addition to the previously approved districts referenced in subsection (d) of this section and the six additional districts authorized by 32 V.S.A. § 5404a(f) in subsection (d) of this section.~~

Sec. 7. 24 V.S.A. § 1895 is amended to read:

§ 1895. ORIGINAL TAXABLE VALUE

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

(b) Boundary of the district. No adjustments to the physical boundary lines of a district shall be made after the approval of a tax increment financing district plan.

1 Sec. 8. 24 V.S.A. § 1896 is amended to read:

2 § 1896. TAX INCREMENTS

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

1 municipal and other tax rates are computed and extended and thereafter no  
2 taxes from the district shall be deposited in the district's tax increment  
3 financing account.

4 \* \* \*

5 (e) In each year, a municipality shall remit not less than the aggregate tax  
6 due on the original taxable value to the Education Fund.

7 Sec. 9. 32 V.S.A. § 5404a is amended to read:

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 25 for the purpose of providing clarification and detail for administering the  
2 provisions of 24 V.S.A. chapter 53, subchapter 5 and the tax increment  
3 financing district provisions of this section. A single rule shall be adopted for  
4 all tax increment financing districts that will provide further clarification for  
5 statutory construction and include a process whereby a municipality may  
6 distribute excess increment to the Education Fund as allowed under 24 V.S.A.  
7 § 1900. The rule shall not permit the Council to approve any substantial  
8 change request that results in a municipality needing to extend the period to  
9 incur debt or retain education property tax increment. From the date the rules  
10 are adopted, the municipalities with districts in existence prior to 2006 are  
11 required to abide by the governing rule and any other provisions of the law in  
12 force; provided, however, that the rule shall indicate which specific provisions  
13 are not applicable to those districts in existence prior to January 2006.

14 \* \* \*

15 Sec. 10. VERMONT ECONOMIC PROGRESS COUNCIL; TAX

16 INCREMENT FINANCING DISTRICTS; RULE

17 (a) Pursuant to 32 V.S.A. § 5405(j), on or before October 1, 2024, the  
18 Vermont Economic Progress Council shall adopt an amended rule (Vermont  
19 Economic Progress Council, Tax Increment Financing Districts Rule (CVR 11-  
20 030-022)) to require that the Council shall only approve a municipality's  
21 substantial change request if approval does not result in the municipality



1 needing to extend the period to incur debt or retain education property tax  
2 increment for its tax increment financing district.

3 (b) Prior to the amendment of the rule described in subsection (a) of this  
4 section, the Vermont Economic Progress Council shall not approve a  
5 municipality’s substantial change request if approval results in the municipality  
6 needing to extend the period to incur debt or retain education property tax  
7 increment for its tax increment financing district.

8 \* \* \* Study of Vermont Economic Growth Incentives \* \* \*

9 Sec. 11. ECONOMIC DEVELOPMENT INCENTIVES; STUDY

10 (a) Creation. There is created the Task Force on Economic Development  
11 Incentives composed of the following five members:

12 (1) one member of the House Committee on Commerce and Economic  
13 Development and one at-large member with experience in business and  
14 economic development appointed by the Speaker of the House of  
15 Representatives;

16 (2) one member of the Senate Committee on Economic Development,  
17 Housing and General Affairs and one at-large member with experience in  
18 business and economic development appointed by the Senate Committee on  
19 Committees; and

20 (3) one at-large member appointed jointly by the Speaker of the House  
21 of Representatives and the Senate Committee on Committees.

1       (b) Powers and duties. The Task Force shall conduct hearings, receive  
2       testimony, and review and consider:

3           (1) the purpose and performance of current State-funded economic  
4       development incentive programs; and

5           (2) models and features of economic development incentive programs  
6       from other jurisdictions, including:

7           (A) the structure, management, and oversight features of the  
8       program;

9           (B) the articulated purpose, goals, and benefits of the program, and  
10       the basis of measuring success; and

11           (C) the mechanism for providing an economic incentive, whether  
12       through a loan, grant, equity investment, or other approach.

13       (c) Assistance.

14           (1) The Task Force shall have the administrative, fiscal, and legal  
15       assistance of the Office of Legislative Operations, the Joint Fiscal Office, and  
16       the Office of Legislative Counsel.

17           (2) The Task Force may direct the Joint Fiscal Office to issue a request  
18       for proposals and enter into one or more agreements for consulting services.

19       (d) Report. On or before January 15, 2024, the Task Force shall submit a  
20       report to the House Committee on Commerce and Economic Development and  
21       the Senate Committee on Economic Development, Housing and General

1 Affairs with its findings and any recommendations for legislative action,  
2 including whether and how any proposed program addition, revision, or other  
3 legislative action would:

4 (1) integrate with and further advance the current workforce  
5 development and economic development systems in this State; and

6 (2) advance the four principles of economic development articulated in  
7 10 V.S.A. § 3.

8 (e) Meetings.

9 (1) The member of the House Committee on Commerce and Economic  
10 Development shall call the first meeting of the Task Force to occur on or  
11 before September 1, 2023.

12 (2) The Committee shall select a chair from among its members at the  
13 first meeting.

14 (3) A majority of the membership shall constitute a quorum.

15 (4) The Task Force shall cease to exist on January 15, 2024.

16 (f) Compensation and reimbursement.

17 (1) For attendance at meetings during adjournment of the General  
18 Assembly, a legislative member of the Task Force serving in the member's  
19 capacity as a legislator shall be entitled to per diem compensation and  
20 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six  
21 meetings.

1           (2) Other members of the Task Force shall be entitled to per diem  
2           compensation and reimbursement of expenses as permitted under 32 V.S.A.  
3           § 1010 for not more than six meetings.

4           (g) Appropriation. The amount of \$250,000.00 is appropriated from the  
5           General Fund in fiscal year 2024 for per diem compensation and  
6           reimbursement of expenses for members of the Task Force and for consulting  
7           services approved by the Task Force pursuant to this section.

8           \* \* \* Study of Financing Public Infrastructure Improvements \* \* \*

9           Sec. 12. FINANCING PUBLIC INFRASTRUCTURE IMPROVEMENTS;  
10           STUDY COMMITTEE; REPORT

11           (a) Creation. There is created the Study Committee on Financing Public  
12           Infrastructure Improvements to study and make recommendations for new  
13           long-term programs or methods to finance infrastructure improvements that  
14           will serve a public purpose, incentivize community development, facilitate  
15           development of housing, and reverse declining grand list values in Vermont  
16           municipalities.

17           (b) Membership. The Committee is composed of the following members:

18           (1) two current members of the House of Representatives, appointed by  
19           the Speaker of the House;

20           (2) two current members of the Senate, appointed by the President Pro  
21           Tempore;

1           (3) the Secretary of Administration or designee;

2           (4) the Secretary of Natural Resources or designee;

3           (5) the Secretary of Commerce and Community Development or  
4 designee;

5           (6) the Commissioner of Taxes or designee;

6           (7) the State Executive Economist;

7           (8) a member, appointed by the Vermont League of Cities and Towns;

8           (9) a member, appointed by the Vermont Economic Development

9 Authority;

10           (10) a member, appointed by the Municipal Bond Bank;

11           (11) the State Treasurer or designee;

12           (12) one member appointed by the Vermont Association of Planning  
13 and Development Agencies;

14           (13) one member appointed by vote of the regional development  
15 corporations; and

16           (14) one member appointed by the Vermont Council on Rural  
17 Development.

18           (c) Powers and duties.

19           (1) The Committee shall solicit testimony from a wide range of

20 stakeholders, including representatives from municipalities of a variety of

21 sizes; persons with expertise in planning, rural economic development, and

1 successful infrastructure programs in other parts of the country; persons with  
2 expertise in implementing infrastructure projects; and persons with expertise in  
3 related incentive programs.

4 (2) The Committee shall review and consider:

5 (A) how to align various State and federal funding sources into one  
6 streamlined rural infrastructure assistance program or fund; and

7 (B) the harmonization or expansion of existing infrastructure  
8 improvement programs and the best method for distributing funding, including  
9 whether to use a formula-based distribution model, a competitive grant  
10 program, or another process identified by the Committee.

11 (d) Report. On or before December 15, 2023, the Committee shall submit a  
12 report to the General Assembly and the Governor with its findings and any  
13 recommendations for action concerning the following:

14 (1) program design;

15 (2) eligible uses of funding;

16 (3) sources of revenue to fund the program;

17 (4) strategies to combine or leverage existing funding sources for  
18 infrastructure improvements;

19 (5) a streamlined and minimal application that is easily accessible to  
20 municipalities of all sizes;

1           (6) selection criteria to ensure funds are targeted to the geographic  
2           communities or regions with the most pressing infrastructure needs; and

3           (7) outreach, technical assistance, and education methods to raise  
4           awareness about the program.

5           (e) Meetings.

6           (1) The Speaker of the House and the President Pro Tempore shall  
7           jointly appoint from among the legislative members of the Committee a person  
8           to serve as Chair, who shall call the first meeting of the Committee to occur on  
9           or before September 1, 2023.

10           (2) A majority of the membership shall constitute a quorum.

11           (3) The Committee shall cease to exist on January 15, 2024.

12           (f) Assistance. The Committee shall have the administrative, fiscal, and  
13           legal assistance of the Office of Legislative Operations, the Joint Fiscal Office,  
14           and the Office of Legislative Counsel.

15           (g) Compensation and reimbursement.

16           (1) For attendance at meetings during adjournment of the General  
17           Assembly, a legislative member of the Committee serving in the member's  
18           capacity as a legislator shall be entitled to per diem compensation and  
19           reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than five  
20           meetings. These payments shall be made from monies appropriated to the  
21           General Assembly.

1           (2) Other members of the Committee shall be entitled to per diem  
2           compensation and reimbursement of expenses as permitted under 32 V.S.A.  
3           § 1010 for not more than five meeting. These payments shall be made from  
4           monies appropriated to the Agency of Commerce and Community  
5           Development.

6                   \* \* \* City of Barre Tax Increment Financing District \* \* \*

7           Sec. 13. TAX INCREMENT FINANCING DISTRICT; CITY OF BARRE;  
8                   EXTENSION; INCREMENT

9           (a) Notwithstanding 2021 Acts and Resolves No. 73, Sec. 26a, amending  
10           2020 Acts and Resolves No. 175, Sec. 29, or any other provision of law, the  
11           authority of the City of Barre to incur indebtedness is hereby extended to  
12           March 31, 2026.

13           (b) Notwithstanding any other provision of law, the authority of the City of  
14           Barre to retain municipal and education tax increment is hereby extended until  
15           December 31, 2039.

16                   \* \* \* Town of Hartford Tax Increment Financing District \* \* \*

17           Sec. 14. 2020 Acts and Resolves No. 111, Sec. 1 is amended to read:

18                   Sec. 1. TAX INCREMENT FINANCING DISTRICT; TOWN OF  
19                           HARTFORD

20           Notwithstanding any other provision of law, the authority of the Town of  
21           Hartford to:



1           (1) incur indebtedness for its tax increment financing district is hereby  
2           ~~extended for three years beginning on March 31, 2021. This extension does~~  
3           ~~not extend any period that municipal or education tax increment may be~~  
4           ~~retained~~ until March 31, 2026; and

5           (2) retain municipal and education tax increment is hereby extended  
6           until December 31, 2036.

7                           \* \* \* Vermont Economic Growth Incentive; Sunset \* \* \*

8           Sec. 15. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022  
9           Acts and Resolves No. 164, Sec. 5, is further amended to read:

10           Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD  
11                           INCENTIVES

12           Notwithstanding any provision of law to the contrary, the Vermont  
13           Economic Progress Council shall not accept or approve an application for a  
14           Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,  
15           subchapter 2 on or after January 1, ~~2024~~ 2025.

16   \* \* \* Effective Date \* \* \*

17           Sec. 16. EFFECTIVE DATE

18           This act shall take effect on passage.

19           and that after passage the title of the bill be amended to read: “An act  
20           relating to miscellaneous changes to the Vermont Economic Progress Council,

1 the Vermont Employment Growth Incentive Program, and tax increment  
2 financing district provisions”

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10 (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE