

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|---|--|
| <p>Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read: <u>Subchapter 7. Community and Housing Infrastructure Program</u></p> | |
| <p><u>§ 1906. DEFINITIONS</u> <u>As used in this subchapter:</u> <u>(1) “Affordable housing” has the same meaning as in 24 V.S.A. § 4303.</u> <u>(2) “Affordable housing development” means a housing development of which at least 15 percent of the units are affordable housing units. Affordable units shall be subject to covenants or restrictions that preserve their affordability in perpetuity.</u> <u>(3) “Brownfield” means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.</u> <u>(4) “Committed” means pledged and appropriated for the purpose of the current and future payment of financing and related costs.</u> <u>(5) “Developer” means the person undertaking to construct a housing development.</u> <u>(6) “Financing” means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a</u></p> | <p><u>§ 1906. DEFINITIONS</u> <u>As used in this subchapter:</u> <u>(1) “Affordable housing” has the same meaning as in 24 V.S.A. § 4303.</u> <u>(2) “Affordable housing development” means a housing development of which at least 15 percent of the units are affordable housing units. Affordable units shall be subject to covenants or restrictions that preserve their affordability until all indebtedness for the housing infrastructure project of which the housing development is part has been retired. During this period, the annual increase in rent for an affordable unit shall not exceed three percent or an amount otherwise authorized by the Vermont Economic Progress Council.</u> <u>(3) “Brownfield” means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.</u> <u>(4) “Committed” means pledged and appropriated for the purpose of the current and future payment of financing and related costs.</u> <u>(5) “Developer” means the person undertaking to construct a housing development.</u> <u>(6) “Financing” means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|---|--|
| <p><u>sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.</u></p> <p><u>(7) “Housing development” means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.</u></p> <p><u>(8) “Housing development site” means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.</u></p> <p><u>(9) “Housing infrastructure agreement” means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.</u></p> <p><u>(10) “Housing infrastructure project” means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.</u></p> <p><u>(11) “Improvements” means:</u></p> <p><u>(A) the installation, construction, or reconstruction of infrastructure that will serve a public good and fulfill the purpose stated in section 1907 of this subchapter; and</u></p> <p><u>(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.</u></p> <p><u>(12) “Legislative body” means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.</u></p> | <p><u>sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.</u></p> <p><u>(7) “Housing development” means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.</u></p> <p><u>(8) “Housing development site” means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.</u></p> <p><u>(9) “Housing infrastructure agreement” means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.</u></p> <p><u>(10) “Housing infrastructure project” means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.</u></p> <p><u>(11) “Improvements” means:</u></p> <p><u>(A) the installation or construction of infrastructure that will serve a public good and fulfill the purpose stated in section 1907 of this subchapter, including utilities, digital infrastructure, transportation, public recreation, parking, public facilities and amenities, land and property acquisition and demolition, brownfield remediation, site preparation, and flood remediation and mitigation; and</u></p> <p><u>(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.</u></p> <p><u>(12) “Legislative body” means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|---|--|
| <p><u>(13) “Lifetime education property tax increment retention” means the total education property tax increment to be retained for a housing infrastructure project across its lifetime.</u></p> <p><u>(14) “Moderate-income housing” means housing for which the total annual cost of renting or ownership, as applicable, does not exceed 30 percent of the gross annual income of a household at 150 percent of the highest of the following:</u></p> <p><u>(A) the county median income, as defined by the U.S. Department of Housing and Urban Development;</u></p> <p><u>(B) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or</u></p> <p><u>(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.</u></p> <p><u>(15) “Moderate-income housing development” means a housing development of which at least 25 percent of the units are moderate-income housing units. Moderate-income units shall be subject to covenants or restrictions that preserve their affordability in perpetuity.</u></p> <p><u>(16) “Municipality” means a city, town, or incorporated village.</u></p> <p><u>(17) “Original taxable value” means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site</u></p> | <p><u>(13) “Moderate-income housing” means housing for which the total annual cost of renting or ownership, as applicable, does not exceed 30 percent of the gross annual income of a household at 150 percent of the highest of the following:</u></p> <p><u>(A) the county median income, as defined by the U.S. Department of Housing and Urban Development;</u></p> <p><u>(B) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or</u></p> <p><u>(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.</u></p> <p><u>(14) “Moderate-income housing development” means a housing development of which at least 25 percent of the units are moderate-income housing units. Moderate-income units shall be subject to covenants or restrictions that preserve their affordability until all indebtedness for the housing infrastructure project of which the housing development is part has been retired. During this period, the annual increase in rent for a moderate-income unit shall not exceed three percent or an amount otherwise authorized by the Vermont Economic Progress Council.</u></p> <p><u>(15) “Municipality” means a city, town, or incorporated village.</u></p> <p><u>(16) “Original taxable value” means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|--|--|
| <p><u>as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.</u></p> <p><u>(18) “Related costs” means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality’s housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with subsection 1910c of this subchapter.</u></p> <p><u>(19) “Sponsor” means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.</u></p> | <p><u>as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.</u></p> <p><u>(17) “Related costs” means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality’s housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with subsection 1910c of this subchapter.</u></p> <p><u>(18) “Sponsor” means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.</u></p> |
| <p align="center"><i>No differences</i></p> | <p><u>§ 1907. PURPOSE</u></p> <p><u>The purpose of the Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low and moderate income across both rural and urban areas of all Vermont counties that would not be created but for the infrastructure improvements funded by the Program.</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

**§ 1908. CREATION OF HOUSING INFRASTRUCTURE
PROJECT AND HOUSING DEVELOPMENT SITE**

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

**§ 1908. CREATION OF HOUSING INFRASTRUCTURE
PROJECT AND HOUSING DEVELOPMENT SITE**

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed and any immediately contiguous parcels.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|--|--|
| <p><u>(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and</u></p> <p><u>(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.</u></p> <p><u>(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.</u></p> | <p><u>(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and</u></p> <p><u>(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.</u></p> <p><u>(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|---|---|
| <p><u>§ 1909. HOUSING INFRASTRUCTURE AGREEMENT</u></p> <p><u>(a) The housing infrastructure agreement for a housing infrastructure project shall:</u></p> <p><u>(1) clearly identify the sponsor for the housing infrastructure project;</u></p> <p><u>(2) clearly identify the developer and the housing development for the housing development site;</u></p> <p><u>(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;</u></p> <p><u>(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that any housing unit within the housing development be offered exclusively as a bona fide domicile in perpetuity; and</u></p> <p><u>(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.</u></p> <p><u>(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.</u></p> | <p><u>§ 1909. HOUSING INFRASTRUCTURE AGREEMENT</u></p> <p><u>(a) The housing infrastructure agreement for a housing infrastructure project shall:</u></p> <p><u>(1) clearly identify the sponsor for the housing infrastructure project;</u></p> <p><u>(2) clearly identify the developer and the housing development for the housing development site;</u></p> <p><u>(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;</u></p> <p><u>(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that no housing unit within the housing development be offered as a short-term rental as defined in 18 V.S.A. § 4301 until all indebtedness for the housing infrastructure project has been retired; and</u></p> <p><u>(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.</u></p> <p><u>(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| | |
|---|--|
| <p><u>§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL</u></p> <p><u>(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.</u></p> <p><u>(b) But-for test. The Vermont Economic Progress Council shall review each application to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues.</u></p> <p><u>(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:</u></p> <p><u>(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;</u></p> <p><u>(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and</u></p> <p><u>(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.</u></p> <p><u>(d) Project criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether:</u></p> | <p><u>§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL</u></p> <p><u>(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.</u></p> <p><u>(b) But-for test. The Vermont Economic Progress Council shall review each application to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues.</u></p> <p><u>(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:</u></p> <p><u>(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;</u></p> <p><u>(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and</u></p> <p><u>(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.</u></p> <p><u>(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure</u></p> |
|---|--|

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|--|--|
| <p>(1) at least 65 percent of the floor area of the projected housing development is dedicated to housing; or</p> <p>(2) the projected housing development meaningfully addresses the purpose of section 1907 of this subchapter.</p> <p>(e) Affordability criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is an affordable housing development or a moderate-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.</p> <p>(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:</p> <p>(1) a statement of costs and sources of revenue;</p> <p>(2) estimates of assessed values within the housing development site;</p> <p>(3) the portion of those assessed values to be applied to the housing infrastructure project;</p> <p>(4) the resulting tax increments in each year of the financial plan and the lifetime education property tax increment retention;</p> <p>(5) the amount of bonded indebtedness or other financing to be incurred;</p> <p>(6) other sources of financing and anticipated revenues;</p> <p>and</p> | <p>project application to determine whether the projected housing development includes housing.</p> <p>(e) Affordability criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is an affordable housing development or a moderate-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.</p> <p>(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:</p> <p>(1) a statement of costs and sources of revenue;</p> <p>(2) estimates of assessed values within the housing development site;</p> <p>(3) the portion of those assessed values to be applied to the housing infrastructure project;</p> <p>(4) the resulting tax increments in each year of the financial plan;</p> <p>(5) the amount of bonded indebtedness or other financing to be incurred;</p> <p>(6) other sources of financing and anticipated revenues;</p> <p>and</p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|--|--|
| <p>(7) the duration of the financial plan.</p> <p>(g) Approval. <u>The Vermont Economic Progress Council shall approve or deny an application submitted pursuant to this section not later than 60 days following the site visit conducted as part of the application's review, provided that the Council may extend this period by not more than 30 days in extenuating circumstances.</u> The Vermont Economic Progress Council shall only approve tax increment financing for applications:</p> <p>(1) that meet the but-for test, the process requirements, and <u>either of the project criteria</u> of this section;</p> <p>(2) for which the Council has approved the tax increment financing plan; and</p> <p>(3) that are submitted on or before December 31, <u>2031.</u></p> <p>(h) Limit. <u>The Vermont Economic Progress Council shall not annually approve more than \$40,000,000.00 in aggregate lifetime education property tax increment retention. The Vermont Economic Progress Council may increase this limit by not more than \$5,000,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee. In evaluating the Governor's request, the Joint Fiscal Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections. The Vermont Economic Progress Council shall provide the Joint Fiscal Committee with testimony, documentation, housing infrastructure project application data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for the creation of additional housing to meet the needs of a municipality or municipalities and the State.</u></p> | <p>(7) the duration of the financial plan.</p> <p>(g) Approval. <u>The Vermont Economic Progress Council shall only approve tax increment financing for applications:</u></p> <p>(1) that meet the but-for test, the process requirements, and the project <u>criterion</u> of this section;</p> <p>(2) for which the Council has approved the tax increment financing plan; and</p> <p>(3) that are submitted on or before December 31, <u>2035.</u></p> <p>(h) Limit. <u>The Vermont Economic Progress Council shall approve no further tax increment financing pursuant to this subchapter upon certification from the Commissioner of Housing and Community Development that the housing needs of the State have been met.</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|-----------------------------|---|
| <p><i>No changes</i></p> | <p><u>§ 1910a. INDEBTEDNESS</u></p> <p><u>(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years.</u></p> <p><u>(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.</u></p> <p><u>(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.</u></p> <p><u>(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, the debt incursion period ends.</u></p> <p><u>(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project;</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|-----------------------------|---|
| | <p><u>and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.</u></p> <p><u>(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.</u></p> <p><u>(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.</u></p> |
| <p><i>No changes</i></p> | <p><u>§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT</u></p> <p><u>(a) As of the date the housing development site 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 housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.</u></p> <p><u>(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|-----------------------------|---|
| | <p>(c) <u>Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.</u></p> <p>(d) <u>Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the “tax increment” for that year. The tax increment shall only be used for financing and related costs.</u></p> <p>(e) <u>Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.</u></p> <p>(f) <u>Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|---|---|
| | <p><u>purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.</u></p> |
| <p><u>§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD</u></p> <p>(a) <u>Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.</u></p> <p>(b) <u>Education property tax increment.</u></p> <p>(1) <u>For a housing infrastructure project that does not satisfy the affordability criterion of section 1910 of this subchapter, up to 65 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.</u></p> <p>(2) <u>For a housing infrastructure project that satisfies the affordability criterion of section 1910 of this subchapter, up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.</u></p> | <p><u>§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD</u></p> <p>(a) <u>Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.</u></p> <p>(b) <u>Education property tax increment.</u></p> <p>(1) <u>For a housing infrastructure project that does not satisfy the affordability criterion of section 1910 of this subchapter, up to 75 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.</u></p> <p>(2) <u>For a housing infrastructure project that satisfies the affordability criterion of section 1910 of this subchapter, up to 85 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|---|---|
| <p><u>(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.</u></p> <p><u>(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.</u></p> <p><u>(d) Excess tax increment.</u></p> <p><u>(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:</u></p> <p><u>(A) to prepay principal and interest on the financing;</u></p> <p><u>(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or</u></p> <p><u>(C) to use for defeasance of the financing.</u></p> <p><u>(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.</u></p> <p><u>(e) Adjustment of percentage. During the fifth year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall</u></p> | <p><u>(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.</u></p> <p><u>(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.</u></p> <p><u>(d) Excess tax increment.</u></p> <p><u>(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:</u></p> <p><u>(A) to prepay principal and interest on the financing;</u></p> <p><u>(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or</u></p> <p><u>(C) to use for defeasance of the financing.</u></p> <p><u>(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.</u></p> <p><u>(e) Adjustment of percentage. During the fifth year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|---|---|
| <u>include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first five years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.</u> | <u>include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first five years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.</u> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means that describes common reasons applicants to the Community and Housing Infrastructure Program fail to secure approval for tax increment

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each:

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|--|---|
| <p><u>financing and includes for each housing infrastructure project approved pursuant to this subchapter the following:</u></p> <ul style="list-style-type: none"> <u>(1) the date of approval;</u> <u>(2) a description of the housing infrastructure project;</u> <u>(3) the original taxable value of the housing development site;</u> <u>(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;</u> <u>(5) the sale prices for initial offerings of any housing units;</u> <u>(6) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;</u> <u>(7) projected and actual incremental revenue amounts;</u> <u>(8) the allocation of incremental revenue, including the amount allocated to related costs;</u> <u>(9) projected and actual financing;</u> <u>(10) an evaluation of the amount of public funds flowing to private ownership or usage; and</u> <u>(11) an evaluation of the amount of grand list growth attributable to the housing development and the amount of grand list growth attributable to property value appreciation.</u> <p><u>(c) On or before January 15, 2031, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and</u></p> | <ul style="list-style-type: none"> <u>(1) the date of approval;</u> <u>(2) a description of the housing infrastructure project;</u> <u>(3) the original taxable value of the housing development site;</u> <u>(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;</u> <u>(5) the sale prices for initial offerings of any housing units;</u> <u>(6) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;</u> <u>(7) projected and actual incremental revenue amounts;</u> <u>(8) the allocation of incremental revenue, including the amount allocated to related costs;</u> <u>(9) projected and actual financing;</u> <u>(10) an evaluation of the amount of public funds flowing to private ownership or usage; and</u> <u>(11) an evaluation of the amount of grand list growth attributable to the housing development and the amount of grand list growth attributable to property value appreciation.</u> <p><u>(c) On or before January 15, 2035, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|---|--|
| <p><u>Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criteria of section 1910 of this chapter.</u></p> | <p><u>Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion of section 1910 of this chapter.</u></p> |
| <p><i>No changes</i></p> | <p><u>§ 1910e. AUDITING</u> <u>Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

§ 1910f. RULEMAKING; GUIDANCE

(a) Authority to adopt rules and guidelines. The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter. The Vermont Economic Progress Council shall issue guidance to implement this subchapter on or before November 1, 2025.

(b) Authority to issue decisions.

(1) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(2) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (b) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(3) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

§ 1910f. RULEMAKING; GUIDANCE

(a) Authority to adopt rules. The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter.

(b) Authority to issue decisions.

(1) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(2) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (b) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(3) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|--|--|
| <p><u>(c) Remedy for noncompliance. If the Secretary issues a decision under subsection (b) of this section that includes a finding of noncompliance and that noncompliance has resulted in the improper reduction in the amount due the Education Fund, the Secretary, unless and until the Secretary is satisfied that there is no longer any such failure to comply, shall request that the State Treasurer bill the municipality for the total identified underpayment. The amount of the underpayment shall be due from the municipality upon receipt of the bill. If the municipality does not pay the underpayment amount within 60 days, the amount may be withheld from any funds otherwise payable by the State to the municipality or a school district in the municipality or of which the municipality is a member.</u></p> <p><u>(d) Referral; Attorney General. In lieu of or in addition to any action authorized in subsection (c) of this section, the Secretary of Commerce and Community Development or the State Treasurer may refer the matter to the Office of the Attorney General with a recommendation that an appropriate civil action be initiated.</u></p> <p><u>(e) Appeal; hearing officer. A hearing that is held pursuant to this section shall be subject to the provisions of 3 V.S.A. chapter 25 relating to contested cases. The hearing shall be conducted by the Secretary or by a hearing officer appointed by the Secretary. If a hearing is conducted by a hearing officer, the hearing officer shall have all authority to conduct the hearing that is provided for in the applicable contested case provisions of 3 V.S.A. chapter 25, including issuing findings of fact, hearing evidence, and compelling, by subpoena, the attendance and testimony of witnesses.</u></p> | <p><u>(c) Remedy for noncompliance. If the Secretary issues a decision under subsection (b) of this section that includes a finding of noncompliance and that noncompliance has resulted in the improper reduction in the amount due the Education Fund, the Secretary, unless and until the Secretary is satisfied that there is no longer any such failure to comply, shall request that the State Treasurer bill the municipality for the total identified underpayment. The amount of the underpayment shall be due from the municipality upon receipt of the bill. If the municipality does not pay the underpayment amount within 60 days, the amount may be withheld from any funds otherwise payable by the State to the municipality or a school district in the municipality or of which the municipality is a member.</u></p> <p><u>(d) Referral; Attorney General. In lieu of or in addition to any action authorized in subsection (c) of this section, the Secretary of Commerce and Community Development or the State Treasurer may refer the matter to the Office of the Attorney General with a recommendation that an appropriate civil action be initiated.</u></p> <p><u>(e) Appeal; hearing officer. A hearing that is held pursuant to this section shall be subject to the provisions of 3 V.S.A. chapter 25 relating to contested cases. The hearing shall be conducted by the Secretary or by a hearing officer appointed by the Secretary. If a hearing is conducted by a hearing officer, the hearing officer shall have all authority to conduct the hearing that is provided for in the applicable contested case provisions of 3 V.S.A. chapter 25, including issuing findings of fact, hearing evidence, and compelling, by subpoena, the attendance and testimony of witnesses.</u></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|--|---|
| <p style="text-align: center;"><i>No changes</i></p> | <p>Sec. 26. 32 V.S.A. § 3325 is amended to read:</p> <p>§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL</p> <p>(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:</p> <p>(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; and</p> <p>(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; <u>and</u></p> <p>(3) <u>the Community and Housing Infrastructure Program pursuant to 24 V.S.A. chapter 53, subchapter 7.</u></p> <p>(b) Membership.</p> <p>(1) The Council shall have 11 voting members:</p> <p>(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes;</p> <p>(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and</p> <p>(C) one member of the Vermont Senate appointed by the Senate Committee on Committees.</p> <p>(2)(A) The Council shall have two regional members from each region of the State, one appointed by the regional development corporation of the region and one appointed by the regional planning commission of the region.</p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|--|---|
| | <p>(B) A regional member shall be a nonvoting member and shall serve during consideration by the Council of an application from his or her <u>the member's</u> region.</p> <p><u>(3) Exclusively for purposes of reviewing and approving housing infrastructure project applications under the Community and Housing Infrastructure Program, the Council shall additionally have three nonvoting members:</u></p> <p><u>(A) the Executive Director of the Vermont Housing Finance Agency or designee;</u></p> <p><u>(B) the Executive Director of the Vermont Housing and Conservation Board or designee; and</u></p> <p><u>(C) the Commissioner of Housing and Community Development or designee.</u></p> <p style="text-align: center;">* * *</p> <p>(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, or to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, <u>or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7</u> is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.</p> |
| <p>Sec. 27. 32 V.S.A. § 5404a(f) is amended to read:</p> <p>(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal</p> | <p style="text-align: center;"><i>NO COMPARABLE PROVISION</i></p> |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1

May 29, 2025

| House Proposal 1.1 (May 29) | Senate Proposal 1.1 (May 28) |
|--|-------------------------------------|
| <p>property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:</p> <p>(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.</p> <p>(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:</p> <p>(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).</p> <p>(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.</p> <p>(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.</p> <p>(B) Upon receiving notification pursuant to subdivision (A) of this subdivision (3), the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.</p> <p><u>(4) The Council shall only approve under this section applications for tax increment financing submitted prior to December 31, 2031.</u></p> | |

S.127 Side by Side: House CHIP 1.1 vs. Senate CHIP 1.1
May 29, 2025