

1 Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

2 Subchapter 7. Community and Housing Infrastructure Program

3 § 1906. DEFINITIONS

4 As used in this subchapter:

5 (1) “Affordable housing” has the same meaning as in 24 V.S.A. § 4303.

6 (2) “Affordable housing development” has the same meaning as in 24

7 V.S.A. § 4303.

8 (3) “Brownfield” means a property on which the presence or potential  
9 presence of a hazardous material, pollutant, or contaminant complicates the  
10 expansion, development, redevelopment, or reuse of the property.

11 (4) “Committed” means pledged and appropriated for the purpose of the  
12 current and future payment of financing and related costs.

13 (5) “Developer” means the person undertaking to construct a housing  
14 development.

15 (6) “Financing” means debt, including principal, interest, and any fees  
16 or charges directly related to that debt, incurred by a sponsor, or other  
17 instruments or borrowing used by a sponsor, to pay for a housing infrastructure  
18 project and, in the case of a sponsor that is a municipality, authorized by the  
19 municipality pursuant to section 1910a of this subchapter.

1           (7) “Housing development” means the construction, rehabilitation, or  
2           renovation of any building on a housing development site approved under this  
3           subchapter.

4           (8) “Housing development site” means the parcel or parcels  
5           encompassing a housing development as authorized by a municipality pursuant  
6           to section 1908 of this subchapter.

7           (9) “Housing infrastructure agreement” means a legally binding  
8           agreement to finance and develop a housing infrastructure project and to  
9           construct a housing development among a municipality, a developer, and, if  
10           applicable, a third-party sponsor.

11           (10) “Housing infrastructure project” means one or more improvements  
12           authorized by a municipality pursuant to section 1908 of this subchapter.

13           (11) “Improvements” means:

14           (A) any of the following that will serve a public good and fulfill the  
15           purpose of housing infrastructure tax increment financing as stated in section  
16           1907 of this subchapter:

17           (i) the installation or construction of power or telecommunications  
18           infrastructure; wastewater, storm water, water dispersal, water collection,  
19           water treatment facilities and equipment, or related wastewater, storm water, or  
20           water equipment; public roads, streets, bridges, multimodal facilities, public  
21           transit stop equipment and amenities, street and sidewalk lighting, sidewalks,

1 streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn  
2 lanes; or

3 (ii) site preparation for development or redevelopment, including  
4 land and property acquisition, demolition, brownfield remediation, or flood  
5 remediation and mitigation; and

6 (B) the funding of debt service interest payments for a period of up to  
7 four years, beginning on the date on which the debt is first incurred.

8 (12) “Legislative body” means the mayor and alderboard, the city  
9 council, the selectboard, and the president and trustees of an incorporated  
10 village, as appropriate.

11 (13) “Municipality” means a city, town, or incorporated village.

12 (14) “Original taxable value” means the total valuation as determined in  
13 accordance with 32 V.S.A. chapter 129 of all taxable real property located  
14 within a housing development site as of its creation date, provided that no  
15 parcel within the housing development site shall be divided or bisected.

16 (15) “Related costs” means expenses incurred and paid by a  
17 municipality, exclusive of the actual cost of constructing and financing  
18 improvements, that are directly related to the creation and implementation of  
19 the municipality’s housing infrastructure project, including reimbursement of  
20 sums previously advanced by the municipality for those purposes. Related  
21 costs may include direct municipal expenses such as departmental or personnel

1 costs related to creating or administering the housing infrastructure project to  
2 the extent they are paid from the tax increment realized from municipal and not  
3 education taxes and using only that portion of the municipal increment above  
4 the percentage required for serving debt as determined in accordance with  
5 subsection 1910c(c) of this subchapter.

6 (16) “Sponsor” means the person undertaking to finance a housing  
7 infrastructure project. Any of a municipality, a developer, or an independent  
8 agency that meets State lending standards may serve as a sponsor for a housing  
9 infrastructure project.

10 § 1907. PURPOSE

11 The purpose of housing infrastructure tax increment financing is to provide  
12 revenues for improvements and related costs to encourage the development of  
13 primary residences for households of low or moderate income.

14 § 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND  
15 HOUSING DEVELOPMENT SITE

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

- 1        (b) To create a housing infrastructure project and housing development  
2        site, a municipality, in coordination with stakeholders, shall:
- 3            (1) develop a housing development plan, including:
- 4                    (A) a description of the proposed housing infrastructure project, the  
5                    proposed housing development, and the proposed housing development site;
- 6                    (B) identification of a sponsor;
- 7                    (C) a tax increment financing plan meeting the standards of  
8                    subsection 1910(h) of this subchapter;
- 9                    (D) a pro forma projection of expected costs of the proposed housing  
10                   infrastructure project;
- 11                   (E) a projection of the tax increment to be generated by the proposed  
12                   housing development;
- 13                   (F) a development schedule that includes a list, a cost estimate, and a  
14                   schedule for the proposed housing infrastructure project and the proposed  
15                   housing development; and
- 16                   (G) a determination that the proposed housing development furthers  
17                   the purposes of section 1907 of this subchapter;
- 18            (2) develop a plan describing the housing development site by its  
19            boundaries and the properties therein, entitled “Proposed Housing  
20            Development Site (municipal name), Vermont”;

1           (3) hold one or more public hearings, after public notice, on the  
2           proposed housing infrastructure project, including the plans developed  
3           pursuant to this subsection; and

4           (4) adopt by act of the legislative body of the municipality the plan  
5           developed under subdivision (2) of this subsection, which shall be recorded  
6           with the municipal clerk and lister or assessor.

7           (c) The creation of a housing development site shall occur at 12:01 a.m. on  
8           April 1 of the calendar year in which the Vermont Economic Progress Council  
9           approves the use of tax increment financing for the housing infrastructure  
10          project pursuant to section 1910 of this subchapter.

11          § 1909. HOUSING INFRASTRUCTURE AGREEMENT

12          (a) The housing infrastructure agreement for a housing infrastructure  
13          project shall:

14               (1) clearly identify the sponsor for the housing infrastructure project;

15               (2) clearly identify the developer and the housing development for the  
16          housing development site;

17               (3) obligate the tax increments retained pursuant to section 1910c of this  
18          subchapter for not more than the financing and related costs for the housing  
19          infrastructure project;

1           (4) provide terms and sufficient remedies or, if the municipality so  
2           elects, an ordinance to ensure that any housing unit within the housing  
3           development be offered exclusively as a bona fide domicile in perpetuity; and

4           (5) provide for performance assurances to reasonably secure the  
5           obligations of all parties under the housing infrastructure agreement.

6           (b) A municipality shall provide notice of the terms of the housing  
7           infrastructure agreement for the municipality’s housing infrastructure project  
8           to the legal voters of the municipality and shall provide the same information  
9           as set forth in subsection 1910a(e) of this subchapter.

10           § 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION;

11                           VERMONT ECONOMIC PROGRESS COUNCIL

12           (a) Application. A municipality, upon approval of its legislative body, may  
13           apply to the Vermont Economic Progress Council to use tax increment  
14           financing for a housing infrastructure project.

15           (b) Review. The Vermont Economic Progress Council may approve only  
16           applications that:

17                   (1) meet the but-for test, the process requirements, either of the project  
18           criteria, and either of the location criteria of this section; and

19                   (2) are submitted on or before December 31, 2030.

20           (c) But-for test. The Vermont Economic Progress Council shall review  
21           each application to determine whether the infrastructure improvements

1 proposed to serve the housing development site and the proposed housing  
2 development would not have occurred as proposed in the application or would  
3 have occurred in a significantly different and less desirable manner than as  
4 proposed in the application but for the proposed utilization of the incremental  
5 tax revenues. The review shall take into account:

6 (1) the amount of additional time, if any, needed to complete the  
7 proposed housing development and the amount of additional cost that might be  
8 incurred if the project were to proceed without education property tax  
9 increment financing;

10 (2) how the proposed housing development components and size would  
11 differ, if at all, including, if applicable to the housing development, in the  
12 number of units of affordable housing, without education property tax  
13 increment financing; and

14 (3)(A) the amount of additional revenue expected to be generated as a  
15 result of the proposed housing development;

16 (B) the percentage of that revenue that shall be paid to the Education  
17 Fund;

18 (C) the percentage that shall be paid to the municipality; and

19 (D) the percentage of the revenue paid to the municipality that shall  
20 be used to pay financing incurred for the infrastructure improvements.

1        (d) Process requirements. The Vermont Economic Progress Council shall  
2        review a municipality’s housing infrastructure project application to determine  
3        whether the municipality has:

4            (1) created a housing infrastructure project and housing development  
5        site pursuant to section 1908 of this subchapter;

6            (2) executed a housing infrastructure agreement for the housing  
7        infrastructure project that adheres to the standards of section 1909 of this  
8        subchapter with a developer and, if the municipality is not financing the  
9        housing infrastructure project itself, a sponsor; and

10          (3) approved or pledged to use incremental municipal tax revenues for  
11        the housing infrastructure project in the proportion provided for municipal tax  
12        revenues in section 1910c of this subchapter.

13        (e) Project criteria.

14          (1) The Vermont Economic Progress Council shall review a  
15        municipality’s housing infrastructure project application to determine whether:

16            (A) at least 70 percent of the floor area suitable for occupancy and  
17        use for commercial, industrial, or residential purposes of the projected housing  
18        development is dedicated to housing; and

19            (B) the proposed housing development furthers the purposes of  
20        section 1907 of this title.

1           (2) If the Vermont Economic Progress Council determines that a  
2           municipality’s housing infrastructure project application satisfies the process  
3           requirements and either of the location criteria of this section but does not  
4           satisfy the project criterion under subdivision (1) of this subsection, the  
5           Council shall request the Community and Housing Infrastructure Program  
6           Board to determine whether the projected housing development will  
7           meaningfully address the purposes in section 1907 of this subchapter and the  
8           housing needs of the community. The Community and Housing Infrastructure  
9           Program Board’s determination, whether affirmative or negative, shall be final,  
10           and the Board shall not reevaluate an application in substantially the same  
11           form as one the Board has previously rejected.

12           (f) Location criteria. The Vermont Economic Progress Council shall  
13           review a municipality’s housing infrastructure project application to determine  
14           whether the housing development site is located within one of the following  
15           areas:

16           (1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter  
17           151 (State land use and development plans) or an area exempt from the  
18           provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing  
19           exemptions); or

20           (2) an existing settlement or an area within one-half mile of an existing  
21           settlement, as that term is defined in 10 V.S.A. § 6001(16).

1       (g) **Affordability** criterion. The Vermont Economic Progress Council shall  
2       review a municipality’s housing infrastructure project application to determine  
3       whether the projected housing development is **an affordable** housing  
4       development.

5       (h) Tax increment financing plan. The Vermont Economic Progress  
6       Council shall approve a municipality’s tax increment financing plan prior to a  
7       sponsor’s incurrence of debt for the housing infrastructure project, including, if  
8       the sponsor is a municipality, prior to a public vote to pledge the credit of the  
9       municipality under section 1910a of this subchapter. The tax increment  
10       financing plan shall include:

- 11           (1) a statement of costs and sources of revenue;
- 12           (2) estimates of assessed values within the housing development site;
- 13           (3) the portion of those assessed values to be applied to the housing  
14       infrastructure project;
- 15           (4) the resulting tax increments in each year of the financial plan;
- 16           (5) the amount of bonded indebtedness or other financing to be incurred;
- 17           (6) other sources of financing and anticipated revenues; and
- 18           (7) the duration of the financial plan.

19       **§ 1910a. COUNTY TAX INCREMENT RETENTION LIMITS**

20       **(a) The Vermont Economic Progress Council shall not approve pursuant to**  
21       **subsection 1910(h) of this subchapter a cumulative amount of education**

1 property tax increment retention per county greater than the anticipated amount  
2 of Education Fund revenues that would be foregone in the county assuming a  
3 statewide growth rate equal to the statewide growth rate from 2023 to 2024 and  
4 an education property tax increment retention percentage of 70 percent. The  
5 amount per county is determined by multiplying 70 percent by the product of  
6 the expected growth for the county and the FY25 nonhomestead rate and is as  
7 follows:

8	<u>Addison</u>	<u>\$10,300,000.00</u>
9	<u>Bennington</u>	<u>\$11,900,000.00</u>
10	<u>Caledonia</u>	<u>\$6,300,000.00</u>
11	<u>Chittenden</u>	<u>\$50,300,000.00</u>
12	<u>Essex</u>	<u>\$1,600,000.00</u>
13	<u>Franklin</u>	<u>\$11,400,000.00</u>
14	<u>Grand Isle</u>	<u>\$3,800,000.00</u>
15	<u>Lamoille</u>	<u>\$12,000,000.00</u>
16	<u>Orange</u>	<u>\$6,600,00.00</u>
17	<u>Orleans</u>	<u>\$7,000,000.00</u>
18	<u>Rutland</u>	<u>\$15,700,000.00</u>
19	<u>Washington</u>	<u>\$16,400,000.00</u>
20	<u>Windham</u>	<u>\$16,600,000.00</u>
21	<u>Windsor</u>	<u>\$21,200,000.00</u>

1       **(b)(1) A municipality shall immediately notify the Vermont Economic**  
2       **Progress Council if it resolves not to incur debt for an approved housing**  
3       **infrastructure project within five years of approval or a three-year extension**  
4       **period as required by section 1910b of this subchapter.**

5       **(2) Upon receiving notification pursuant to subdivision (1) of this**  
6       **subsection, the Vermont Economic Progress Council shall terminate the**  
7       **housing development site and may approve additional tax increment financing**  
8       **subject to the aggregate limitations of subsection (a) of this section.**

9       **(c) As used in this section:**

10       **(1) “Expected growth” means the product of the county’s equalized**  
11       **education property tax grand list in 2024 and the statewide growth rate.**

12       **(2) “FY25 nonhomestead rate” means \$1.391 per \$100.00 of equalized**  
13       **education property value.**

14       **(3) “Statewide growth rate” means the annual change in equalized**  
15       **education property tax grand list for the State, expressed as a percentage of the**  
16       **starting year’s equalized education property tax grand list.**

17       **§ 1910b. INDEBTEDNESS**

18       **(a) A municipality approved for tax increment financing under section**  
19       **1910 of this subchapter may incur indebtedness against revenues of the**  
20       **housing development site at any time during a period of up to five years**  
21       **following the creation of the housing development site. The Vermont**

1 Economic Progress Council may extend this debt incursion period by up to  
2 three years. If no debt is incurred for the housing infrastructure project during  
3 the debt incursion period, whether by the municipality or sponsor, the housing  
4 development site shall terminate.

5 (b) Notwithstanding any provision of any municipal charter, each instance  
6 of borrowing by a municipality to finance or otherwise pay for a housing  
7 infrastructure project shall occur only after the legal voters of the municipality,  
8 by a majority vote of all voters present and voting on the question at a special  
9 or annual municipal meeting duly warned for the purpose, authorize the  
10 legislative body to pledge the credit of the municipality, borrow, or otherwise  
11 secure the debt for the specific purposes so warned.

12 (c) Any indebtedness incurred under this section may be retired over any  
13 period authorized by the legislative body of the municipality.

14 (d) The housing development site shall continue until the date and hour the  
15 indebtedness is retired or, if no debt is incurred, five years following the  
16 creation of the housing development site.

17 (e) A municipal legislative body shall provide information to the public  
18 prior to the public vote required under subsection (b) of this section. This  
19 information shall include the amount and types of debt and related costs to be  
20 incurred, including principal, interest, and fees; terms of the debt; the housing  
21 infrastructure project to be financed; the housing development projected to

1 occur because of the housing infrastructure project; and notice to the voters  
2 that if the tax increment received by the municipality from any property tax  
3 source is insufficient to pay the principal and interest on the debt in any year,  
4 the municipality shall remain liable for the full payment of the principal and  
5 interest for the term of the indebtedness. If interfund loans within the  
6 municipality are used, the information must also include documentation of the  
7 terms and conditions of the loan.

8 (f) If interfund loans within the municipality are used as the method of  
9 financing, no interest shall be charged.

10 (g) The use of a bond anticipation note shall not be considered a first  
11 incurrence of debt pursuant to subsection (a) of this section.

12 § 1910c. ORIGINAL TAXABLE VALUE; TAX INCREMENT

13 (a) As of the date the housing development site is created, the lister or  
14 assessor for the municipality shall certify the original taxable value and shall  
15 certify to the legislative body in each year thereafter during the life of the  
16 housing development site the amount by which the total valuation as  
17 determined in accordance with 32 V.S.A. chapter 129 of all taxable real  
18 property within the housing development site has increased or decreased  
19 relative to the original taxable value.

20 (b) Annually throughout the life of the housing development site, the lister  
21 or assessor shall include not more than the original taxable value of the real

1 property in the assessed valuation upon which the treasurer computes the rates  
2 of all taxes levied by the municipality and every other taxing district in which  
3 the housing development site is situated, but the treasurer shall extend all rates  
4 so determined against the entire assessed valuation of real property for that  
5 year.

6 (c) Annually throughout the life of the housing development site, a  
7 municipality shall remit not less than the aggregate education property tax due  
8 on the original taxable value to the Education Fund.

9 (d) Annually throughout the life of the housing development site, the  
10 municipality shall hold apart, rather than remit to the taxing districts, that  
11 proportion of all taxes paid that year on the real property within the housing  
12 development site that the excess valuation bears to the total assessed valuation.  
13 The amount held apart each year is the “tax increment” for that year. The tax  
14 increment shall only be used for financing and related costs.

15 (e) Not more than the percentages established pursuant to section 1910c of  
16 this subchapter of the municipal and State education tax increments received  
17 with respect to the housing development site and committed for the payment  
18 for financing for improvements and related costs shall be segregated by the  
19 municipality in a special tax increment financing account and in its official  
20 books and records until all capital indebtedness incurred for the housing  
21 infrastructure project has been fully paid. The final payment shall be reported

1 to the treasurer, who shall thereafter include the entire assessed valuation of the  
2 housing development site in the assessed valuations upon which the municipal  
3 and other tax rates are computed and extended, and thereafter no taxes from  
4 the housing development site shall be deposited in the special tax increment  
5 financing account.

6 (f) Notwithstanding any charter provision or other provision, all property  
7 taxes assessed within a housing development site shall be subject to the  
8 provisions of this section. Special assessments levied under chapter 76A or 87  
9 of this title or under a municipal charter shall not be considered property taxes  
10 for the purpose of this section if the proceeds are used exclusively for  
11 operating expenses related to properties within the housing development site  
12 and not for improvements within the housing development site.

13 § 1910d. USE OF TAX INCREMENT; RETENTION PERIOD

14 (a) Uses of tax increments. A municipality may apply tax increments  
15 retained pursuant to this subchapter to debt incurred within the period  
16 permitted under section 1910a of this subchapter, to related costs, and to the  
17 direct payment of the cost of a housing infrastructure project. A municipality  
18 may provide tax increment to a sponsor only upon receipt of an invoice for  
19 payment of the financing, and the sponsor shall confirm to the municipality  
20 once the tax increment has been applied to the financing. Any direct payment

1 shall be subject to the same public vote provisions of section 1910a of this  
2 subchapter as apply to debt.

3 (b) Education property tax increment.

4 (1) For a housing infrastructure project that does not satisfy the  
5 affordability criterion of section 1910 of this subchapter, up to 70 percent of  
6 the education property tax increment may be retained for up to 20 years,  
7 beginning the first year in which debt is incurred for the housing infrastructure  
8 project.

9 (2) For a housing infrastructure project that satisfies the affordability  
10 criterion of section 1910 of this subchapter, up to 80 percent of the education  
11 property tax increment may be retained for up to 20 years, beginning the first  
12 year in which debt is incurred for the housing infrastructure project.

13 (3) Upon incurring the first debt, a municipality shall notify the  
14 Department of Taxes and the Vermont Economic Progress Council of the  
15 beginning of the retention period of the education property tax increment.

16 (c) Municipal property tax increment. Not less than 85 percent of the  
17 municipal property tax increment may be retained, beginning the first year in  
18 which debt is incurred for the housing infrastructure project.

19 (d) Excess tax increment.

20 (1) Of the municipal and education property tax increments received in  
21 any tax year that exceed the amounts committed for the payment of the

1 financing and related costs for a housing infrastructure project, equal portions  
2 of each increment may be retained for the following purposes:

3 (A) to prepay principal and interest on the financing;

4 (B) to place in a special tax increment financing account required  
5 pursuant to subsection 1910b(e) of this subchapter and use for future financing  
6 payments; or

7 (C) to use for defeasance of the financing.

8 (2) Any remaining portion of the excess education property tax  
9 increment shall be distributed to the Education Fund. Any remaining portion  
10 of the excess municipal property tax increment shall be distributed to the city,  
11 town, or village budget in the proportion that each budget bears to the  
12 combined total of the budgets unless otherwise negotiated by the city, town, or  
13 village.

14 (e) Adjustment of percentage. During the 10th year following the creation  
15 of a housing development site, the municipality shall submit an updated tax  
16 increment financing plan to the Vermont Economic Progress Council that shall  
17 include adjustments and updates of appropriate data and information sufficient  
18 for the Vermont Economic Progress Council to determine, based on tax  
19 increment financing debt actually incurred and the history of increment  
20 generated during the first 10 years, whether the percentages approved under  
21 this section should be continued or adjusted to a lower percentage to be

1 retained for the remaining duration of the retention period and still provide  
2 sufficient municipal and education increment to service the remaining debt.

3 § 1910e. INFORMATION REPORTING

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

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

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

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

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

7                (1) the date of approval;

8                (2) a description of the housing infrastructure project;

9                (3) the original taxable value of the housing development site;

10               (4) the scope and value of projected and actual improvements and  
11        developments in the housing development site, including the number of  
12        housing units created;

13               (5) the expected or actual sale and rental prices of any housing units;

14               (6) the number of housing units known to be occupied on a basis other  
15        than as primary residences;

16               (7) the number and types of housing units for which a permit is being  
17        pursued under 10 V.S.A. chapter 151 (State land use and development plans)  
18        and, for each applicable housing development, the current stage of the  
19        permitting process;

20               (8) projected and actual incremental revenue amounts;

1           (9) the allocation of incremental revenue, including the amount  
2           allocated to related costs; and

3           (10) projected and actual financing.

4           (c) On or before January 15, 2030, the Vermont Economic Progress  
5           Council shall submit a report to the Senate Committees on Economic  
6           Development, Housing and General Affairs and on Finance and the House  
7           Committees on Commerce and Economic Development and on Ways and  
8           Means evaluating the success of the Community and Housing Infrastructure  
9           Program in achieving its purpose, as stated in section 1907 of this chapter,  
10           including by identifying the amount and kinds of housing produced through  
11           the Program and by determining whether housing development pursued  
12           through the Program meets the project criteria and location criteria of section  
13           1910 of this chapter.

14           § 1910f. AUDITING

15           Annually on or before April 1 until the year following the end of the period  
16           for retention of education property tax increment, a municipality with a  
17           housing infrastructure project approved under this subchapter shall ensure that  
18           the special tax increment financing account required by section 1910b of this  
19           subchapter is subject to the annual audit prescribed in section 1681 or 1690 of  
20           this title and submit a copy to the Vermont Economic Progress Council. If an  
21           account is subject only to the audit under section 1681 of this title, the Council

1 shall ensure a process is in place to subject the account to an independent audit.  
2 Procedures for the audit must include verification of the original taxable value  
3 and annual and total municipal and education property tax increments  
4 generated, expenditures for financing and related costs, and current balance.

5 § 1910g. RULEMAKING

6 (a) The Vermont Economic Progress Council may adopt rules that are  
7 reasonably necessary to implement this subchapter and shall adopt rules to  
8 govern the prioritization of applications submitted for approval of tax  
9 increment financing under this subchapter.

10 (b) At least 45 days prior to prefiling a rule authorized under this section  
11 with the Interagency Committee on Administrative Rules under 3 V.S.A.  
12 § 837, the Vermont Economic Progress Council shall submit a copy of the  
13 draft rule to the Joint Fiscal Committee for review.

14 § 1910h. GUIDANCE

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

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

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

15       § 1910i. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM

16               BOARD

17       (a) Creation. There is created the Community and Housing Infrastructure  
18       Program Board to assist the Vermont Economic Progress Council with  
19       evaluating a municipality’s housing infrastructure project application pursuant  
20       to subsection 1910(d) of this subchapter.

21       (b) Membership. The Board shall be composed of the following members:

1           (1) the State Treasurer, who shall serve as chair of the Board;

2           (2) the Executive Director of the Vermont Housing Finance Agency;

3           (3) the Chief Executive Officer of the Vermont Economic Development  
4 Authority;

5           (4) the Executive Director of the Vermont Bond Bank; and

6           (5) the Executive Director of the Vermont League of Cities and Towns.

7           (c) Duties. Upon request of the Vermont Economic Progress Council, the  
8 Board shall evaluate the housing development plan component of a  
9 municipality’s housing infrastructure project application to determine whether  
10 the proposed housing development will meaningfully serve the housing needs  
11 of the community. The Board shall respond with its determination not later  
12 than 30 days following receipt of the request from the Vermont Economic  
13 Progress Council.

14           (d) Assistance. The Board shall have the administrative and technical  
15 assistance of the Office of the State Treasurer.

16           (e) Meetings. The Board shall meet upon request of the Vermont  
17 Economic Progress Council.

18           (f) Compensation and reimbursement. Members of the Board shall be  
19 entitled to per diem compensation and reimbursement of expenses as permitted  
20 under section 1010 of this title.

1       (g) Decisions not subject to review. A decision of the Board under  
2       subsection (c) of this section is an administrative decision that is not subject to  
3       the contested case hearing requirements under 3 V.S.A. chapter 25 and is not  
4       subject to judicial review.

5       Sec. 25a. 32 V.S.A. § 5404a(f) is amended to read:

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

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

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

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

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

7           (3)(A) A municipality shall immediately notify the Council if it resolves  
8 not to incur debt for an approved district within five years of approval or a  
9 five-year extension period as required in 24 V.S.A. § 1894.

10           (B) Upon receiving notification pursuant to subdivision (A) of this  
11 subdivision (3), the Council shall terminate the district and may approve a new  
12 district, subject to the provisions of this section and 24 V.S.A. chapter 53,  
13 subchapter 5.

14           (4) The Council shall only approve under this section applications for  
15 tax increment financing submitted prior to July 1, 2025.