

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” means housing that is subject to a housing
6 subsidy covenant, as defined in 27 V.S.A. § 610, of perpetual duration.

7 (2) “Affordable housing development” means a housing development of
8 which at least 20 percent of the units are affordable housing units.

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

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

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

16 (6) “Financing” means debt, including principal, interest, and any fees
17 or charges directly related to that debt, incurred by a sponsor, or other
18 instruments or borrowing used by a sponsor, to pay for a housing infrastructure
19 project and, in the case of a sponsor that is a municipality, authorized by the
20 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 wastewater, storm water,
18 water dispersal, water collection, water treatment facilities and equipment, or
19 related wastewater, storm water, or water equipment; public roads, streets,
20 bridges, multimodal facilities, public transit stop equipment and amenities,

1 street and sidewalk lighting, sidewalks, streetscapes, way-finding signs and
2 kiosks, traffic signals, medians, or turn 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 the Community and Housing Infrastructure Program is to
12 support the development of new primary residences that would not be created
13 but for the infrastructure improvements funded by the Program.

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.

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 process requirements, the project **criterion**, and either of the
18 location criteria of this section;

19 (2) are approved by the Community and Housing Infrastructure Program
20 Board pursuant to subsection (c) of this section; and

21 (3) are submitted on or before December 31, 2030.

1 (c) Board review. The Community and Housing Infrastructure Program
2 Board shall review each application to determine whether the proposed
3 housing development furthers the purposes of section 1907 of this subchapter
4 and whether the infrastructure improvements proposed to serve the housing
5 development site and the proposed housing development would not have
6 occurred as proposed in the application or would have occurred in a
7 significantly different and less desirable manner than as proposed in the
8 application but for the proposed utilization of the incremental tax revenues.
9 The review shall take into account:
10 (1) the amount of additional time, if any, needed to complete the
11 proposed housing development and the amount of additional cost that might be
12 incurred if the project were to proceed without education property tax
13 increment financing;
14 (2) how the proposed housing development components and size would
15 differ, if at all, including, if applicable to the housing development, in the
16 number of units of affordable housing, without education property tax
17 increment financing; and
18 (3)(A) the amount of additional revenue expected to be generated as a
19 result of the proposed housing development;
20 (B) the percentage of that revenue that shall be paid to the Education
21 Fund;

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

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

4 (d) Process requirements. The Vermont Economic Progress Council shall
5 review a municipality's housing infrastructure project application to determine
6 whether the municipality has:

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

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

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

16 (e) Project criterion. The Vermont Economic Progress Council shall
17 review a municipality's housing infrastructure project application to determine
18 whether at least 65 percent of the floor area of the projected housing
19 development is dedicated to housing.

20 (f) Location criteria. The Vermont Economic Progress Council shall
21 review a municipality's housing infrastructure project application to determine

1 whether the housing development site is located within one of the following
2 areas:

3 (1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter
4 151 (State land use and development plans) or an area exempt from the
5 provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing
6 exemptions); or

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

9 (g) Affordability criterion. The Vermont Economic Progress Council shall
10 review a municipality's housing infrastructure project application to determine
11 whether the projected housing development is an affordable housing
12 development.

13 (h) Tax increment financing plan. The Vermont Economic Progress
14 Council shall approve a municipality's tax increment financing plan prior to a
15 sponsor's incurrence of debt for the housing infrastructure project, including, if
16 the sponsor is a municipality, prior to a public vote to pledge the credit of the
17 municipality under section 1910a of this subchapter. The tax increment
18 financing plan shall include:

19 (1) a statement of costs and sources of revenue;

20 (2) estimates of assessed values within the housing development site;

1 (3) the portion of those assessed values to be applied to the housing
2 infrastructure project;

3 (4) the resulting tax increments in each year of the financial plan;

4 (5) the amount of bonded indebtedness or other financing to be incurred;

5 (6) other sources of financing and anticipated revenues; and

6 (7) the duration of the financial plan.

7 § 1910a. COUNTY TAX INCREMENT RETENTION LIMITS

8 (a) The Vermont Economic Progress Council shall not approve pursuant to
9 subsection 1910(h) of this subchapter an annual amount of education property
10 tax increment retention greater than \$14,000,000.00, which is the amount that
11 would have resulted in a uniform rate increase of the statewide education tax
12 rates imposed under 32 V.S.A. § 5402 in fiscal year 2025 of \$0.01 per \$100.00
13 of equalized education property value, rounded to the nearest million.

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

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

1 § 1910b. INDEBTEDNESS

2 (a) A municipality approved for tax increment financing under section
3 1910 of this subchapter may incur indebtedness against revenues of the
4 housing development site at any time during a period of up to five years
5 following the creation of the housing development site. The Vermont
6 Economic Progress Council may extend this debt incursion period by up to
7 three years. If no debt is incurred for the housing infrastructure project during
8 the debt incursion period, whether by the municipality or sponsor, the housing
9 development site shall terminate.

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

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

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

1 (e) A municipal legislative body shall provide information to the public
2 prior to the public vote required under subsection (b) of this section. This
3 information shall include the amount and types of debt and related costs to be
4 incurred, including principal, interest, and fees; terms of the debt; the housing
5 infrastructure project to be financed; the housing development projected to
6 occur because of the housing infrastructure project; and notice to the voters
7 that if the tax increment received by the municipality from any property tax
8 source is insufficient to pay the principal and interest on the debt in any year,
9 the municipality shall remain liable for the full payment of the principal and
10 interest for the term of the indebtedness. If interfund loans within the
11 municipality are used, the information must also include documentation of the
12 terms and conditions of the loan.

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

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

17 § 1910c. ORIGINAL TAXABLE VALUE; TAX INCREMENT

18 (a) As of the date the housing development site is created, the lister or
19 assessor for the municipality shall certify the original taxable value and shall
20 certify to the legislative body in each year thereafter during the life of the
21 housing development site the amount by which the total valuation as

1 determined in accordance with 32 V.S.A. chapter 129 of all taxable real
2 property within the housing development site has increased or decreased
3 relative to the original taxable value.

4 (b) Annually throughout the life of the housing development site, the lister
5 or assessor shall include not more than the original taxable value of the real
6 property in the assessed valuation upon which the treasurer computes the rates
7 of all taxes levied by the municipality and every other taxing district in which
8 the housing development site is situated, but the treasurer shall extend all rates
9 so determined against the entire assessed valuation of real property for that
10 year.

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

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

20 (e) Not more than the percentages established pursuant to section 1910c of
21 this subchapter of the municipal and State education tax increments received

1 with respect to the housing development site and committed for the payment
2 for financing for improvements and related costs shall be segregated by the
3 municipality in a special tax increment financing account and in its official
4 books and records until all capital indebtedness incurred for the housing
5 infrastructure project has been fully paid. The final payment shall be reported
6 to the treasurer, who shall thereafter include the entire assessed valuation of the
7 housing development site in the assessed valuations upon which the municipal
8 and other tax rates are computed and extended, and thereafter no taxes from
9 the housing development site shall be deposited in the special tax increment
10 financing account.

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

18 § 1910d. USE OF TAX INCREMENT; RETENTION PERIOD

19 (a) Uses of tax increments. A municipality may apply tax increments
20 retained pursuant to this subchapter to debt incurred within the period
21 permitted under section 1910a of this subchapter, to related costs, and to the

1 direct payment of the cost of a housing infrastructure project. A municipality
2 may provide tax increment to a sponsor only upon receipt of an invoice for
3 payment of the financing, and the sponsor shall confirm to the municipality
4 once the tax increment has been applied to the financing. Any direct payment
5 shall be subject to the same public vote provisions of section 1910a of this
6 subchapter as apply to debt.

7 (b) Education property tax increment.

8 (1) For a housing infrastructure project that does not satisfy the
9 affordability criterion of section 1910 of this subchapter, up to 60 percent of
10 the education property tax increment may be retained for up to 20 years,
11 beginning the first year in which debt is incurred for the housing infrastructure
12 project.

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

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

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

4 (d) Excess tax increment.

5 (1) Of the municipal and education property tax increments received in
6 any tax year that exceed the amounts committed for the payment of the
7 financing and related costs for a housing infrastructure project, equal portions
8 of each increment may be retained for the following purposes:

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

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

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

14 (2) Any remaining portion of the excess education property tax
15 increment shall be distributed to the Education Fund. Any remaining portion
16 of the excess municipal property tax increment shall be distributed to the city,
17 town, or village budget in the proportion that each budget bears to the
18 combined total of the budgets unless otherwise negotiated by the city, town, or
19 village.

20 (e) Adjustment of percentage. During the fifth year following the creation
21 of a housing development site, the municipality shall submit an updated tax

1 increment financing plan to the Vermont Economic Progress Council that shall
2 include adjustments and updates of appropriate data and information sufficient
3 for the Vermont Economic Progress Council to determine, based on tax
4 increment financing debt actually incurred and the history of increment
5 generated during the first 5 years, whether the percentages approved under this
6 section should be continued or adjusted to a lower percentage to be retained for
7 the remaining duration of the retention period and still provide sufficient
8 municipal and education increment to service the remaining debt.

9 § 1910e. INFORMATION REPORTING

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

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

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

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

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

- 14 (1) the date of approval;
15 (2) a description of the housing infrastructure project;
16 (3) the original taxable value of the housing development site;
17 (4) the scope and value of projected and actual improvements and
18 developments in the housing development site, including the number of
19 housing units created;
20 (5) the expected or actual sale and rental prices of any housing units;

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

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

7 (8) projected and actual incremental revenue amounts;

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

10 (10) projected and actual financing.

11 (c) On or before January 15, 2030, the Vermont Economic Progress
12 Council shall submit a report to the Senate Committees on Economic
13 Development, Housing and General Affairs and on Finance and the House
14 Committees on Commerce and Economic Development and on Ways and
15 Means evaluating the success of the Community and Housing Infrastructure
16 Program in achieving its purpose, as stated in section 1907 of this chapter,
17 including by identifying the amount and kinds of housing produced through
18 the Program and by determining whether housing development pursued
19 through the Program meets the project criteria and location criteria of section
20 1910 of this chapter.

1 § 1910f. AUDITING

2 Annually on or before April 1 until the year following the end of the period
3 for retention of education property tax increment, a municipality with a
4 housing infrastructure project approved under this subchapter shall ensure that
5 the special tax increment financing account required by section 1910b of this
6 subchapter is subject to the annual audit prescribed in section 1681 or 1690 of
7 this title and submit a copy to the Vermont Economic Progress Council. If an
8 account is subject only to the audit under section 1681 of this title, the Council
9 shall ensure a process is in place to subject the account to an independent audit.
10 Procedures for the audit must include verification of the original taxable value
11 and annual and total municipal and education property tax increments
12 generated, expenditures for financing and related costs, and current balance.

13 § 1910g. RULEMAKING

14 (a) The Vermont Economic Progress Council may adopt rules that are
15 reasonably necessary to implement this subchapter. The Council shall
16 specifically adopt rules to:

17 (1) govern the prioritization of applications submitted for approval of
18 tax increment financing under this subchapter that take into consideration the
19 purposes of section 1907 of this subchapter, vacancy rates, stagnancy of
20 education property tax grand list, blight, regional equity, and proximity to job
21 centers; and

1 (2) determine the appropriate categorization of floor area for purposes of
2 the project criterion under subsection 1910(e) of this subchapter.

3 (b) At least 45 days prior to prefilng a rule authorized under this section
4 with the Interagency Committee on Administrative Rules under 3 V.S.A.
5 § 837, the Vermont Economic Progress Council shall submit a copy of the
6 draft rule to the Joint Fiscal Committee for review.

7 § 1910h. GUIDANCE

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

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

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

8 § 1910i. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM

9 BOARD

10 (a) Creation. There is created the Community and Housing Infrastructure
11 Program Board to assist the Vermont Economic Progress Council with
12 evaluating a municipality's housing infrastructure project application pursuant
13 to subsection 1910(c) of this subchapter.

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

15 (1) the State Treasurer or designee, who shall serve as chair of the
16 Board;

17 (2) the Executive Director of the Vermont Housing Finance Agency or
18 designee;

19 (3) the Executive Director of the Vermont Housing Conservation Board
20 or designee;

1 (4) the Commissioner of the Department of Housing and Community

2 Development or designee;

3 (5) the Executive Director of the Vermont Bond Bank or designee;

4 (6) the Executive Director of the Vermont Council on Rural

5 Development or designee;

6 (7) a representative of the Regional Planning Commissions; and

7 (8) the Executive Director of the Vermont School Boards Association or
8 designee.

9 (c) Duties. The Board shall evaluate a municipality's housing
10 infrastructure project application to determine whether the proposed housing
11 development furthers the purposes of section 1907 of this subchapter and
12 whether the application satisfies the but-for test of subsection 1910(c) of this
13 subchapter. The Board shall respond with its determination not later than 30
14 days following receipt of the request from the Vermont Economic Progress
15 Council.

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

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

1 (f) Compensation and reimbursement. Members of the Board shall be
2 entitled to per diem compensation and reimbursement of expenses as permitted
3 under 32 V.S.A. § 1010.

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

8 Sec. 25a. 24 V.S.A. 1910(f) is amended to read:

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

13 (1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter
14 151 (State land use and development plans) or an area exempt from the
15 provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing
16 exemptions); ~~or~~

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

19 (3) an area designated Tier 2 pursuant to 10 V.S.A. chapter 151.

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

1 (f) A municipality that establishes a tax increment financing district under
2 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties
3 contained within the district and apply not more than 70 percent of the State
4 education property tax increment, and not less than 85 percent of the municipal
5 property tax increment, to repayment of financing of the improvements and
6 related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by
7 the Vermont Economic Progress Council pursuant to this section, subject to the
8 following:

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

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

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

16 (B) The Council shall consider complete applications in the order
17 they are submitted, except that if during any calendar month the Council
18 receives applications for more districts than are actually available in a county,
19 the Council shall evaluate each application and shall approve the application
20 that, in the Council's discretion, best meets the economic development needs
21 of the county.

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

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

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

10 **Sec. 27. EFFECTIVE DATES**

11 (a) Sec. 25a (expansion of CHIP location criteria) shall take effect on
12 January 1, 2028.