

1 Sec. 1. 24 V.S.A. § 1906 is amended to read:

2 § 1906. DEFINITIONS

3 As used in this subchapter:

4 * * *

5 (11) “Improvements” means:

6 (A) the installation, construction, or reconstruction of infrastructure
7 that will serve a public good ~~and fulfill~~ by fulfilling the purpose stated in
8 section 1907 of this subchapter; and

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

11 * * *

12 (18) “Related costs” means expenses incurred and paid by a
13 municipality, sponsor, or developer, exclusive of the actual cost of constructing
14 and financing improvements, that are directly related to the creation and
15 implementation of the ~~municipality’s~~ housing infrastructure project, including
16 reimbursement of sums previously advanced ~~by the municipality~~ for those
17 purposes. Related costs may include direct municipal expenses such as
18 departmental or personnel costs related to creating or administering the
19 housing infrastructure project to the extent they are paid from the tax
20 increment realized from municipal and not education taxes and using only that

1 portion of the municipal increment above the percentage required for servicing
2 debt as determined in accordance with section 1910c of this subchapter.

3 * * *

4 Sec. 2. 24 V.S.A. § 1909 is amended to read:

5 § 1909. HOUSING INFRASTRUCTURE AGREEMENT

6 (a) The housing infrastructure agreement for a housing infrastructure
7 project shall:

8 * * *

9 (4) provide that any housing unit within the housing development
10 offered by a sponsor be offered exclusively as a primary residence until all
11 indebtedness for the housing infrastructure project of which the housing
12 development is part has been retired, provided that this condition shall be
13 satisfied by biennially providing a landlord certificate or homestead
14 declaration; ~~and~~

15 (5) provide for performance assurances to reasonably secure the
16 obligations of all parties under the housing infrastructure agreement; and

17 (6) describe how the municipality will provide tax increment to a
18 sponsor.

19 * * *

1 Sec. 3. 24 V.S.A. § 1910c(a) is amended to read:

2 (a) Uses of tax increments. A municipality may apply tax increments
3 retained pursuant to this subchapter to debt incurred within the period
4 permitted under section 1910a of this subchapter, to related costs, and to the
5 direct payment of the cost of a housing infrastructure project. A municipality
6 may provide tax increment to a sponsor only upon receipt of an invoice for
7 payment of the financing, and the sponsor shall confirm to the municipality
8 once the tax increment has been applied to the financing. Any direct payment
9 shall be subject to the same public vote provisions of section 1910a of this
10 subchapter as apply to debt. A municipality may provide tax increment to a
11 sponsor as a reimbursement of taxes already paid or as a credit against taxes
12 due and payable.