

Burlington

Waterfront TIF District

Testimony to Senate Finance Committee

APRIL 14, 2026



Don't know why we are here

- ▶ **Rules of statutory construction**
- ▶ **Amendments to existing statute only change stated elements**
- ▶ **Everything else stays the same**



2011 Act 45

“The April 1, 2010 grand list for the area encompassing the existing Waterfront TIF...is the baseline to be used as the starting point for calculating the tax increment that will be divided 25 percent to the state education fund and 75 percent to the city of Burlington”.



Result of 2011 Act 45

- ▶ **Education tax**
 - ▶ **1997-2010 increment – 100% to TIF fund**
 - ▶ **Post 2010 increment – 25 % to Ed Fund**
- ▶ **Municipal Tax – 100% to TIF fund**



2016 Act 134

“...the City of Burlington may extend the period to retain municipal and education tax increment for the [three] parcels described [above]...until June 30, 2035”.



% retained was NOT amended

- ▶ Therefore, statutory construction means prior retention remains
- ▶ The city and VEPC have proceeded on that basis
- ▶ Including most recent (2023) substantial change



State Auditor Requested Clarifications

- ▶ **Date of base value**
- ▶ **% education tax to education fund**
- ▶ **% municipal tax to TIF fund**



Two Legislative Options

- ▶ **Leave as is – accept current statutory construction**
- ▶ **Address auditor's requests**



If address auditor's requests

- ▶ **Include clarification of**
 - ▶ education tax
 - ▶ base value date
- ▶ **City will accept:**
 - ▶ 1997 base
 - ▶ forego 100% retention for pre-2010 increment



Impact on Education Fund

- ▶ If leave as is, no change in impact
- ▶ If address auditor's request – will slightly increase city payments to ed fund



Impact on Waterfront TIF Fund

- ▶ If leave as is, no change in impact
- ▶ If address auditor's request – projections show +/- \$4 million surplus in 2035



Possible language

It is the intent of the General Assembly to clarify that from July 1, 2026 until June 30 2035, the City of Burlington may retain 75 percent of the education tax increment and 100 percent of the municipal tax increment for the following three properties...

And that the base value shall be that as of April 1, 1996.



Questions?

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