

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred Senate Bill No. 33 entitled “An act relating to project-based tax
4 increment financing districts” respectfully reports that it has considered the
5 same and recommends that the House propose to the Senate that the bill be
6 amended as follows:

7 First: In Sec. 2, 32 V.S.A. § 5404a, by striking out subdivision (b)(2) in its
8 entirety and inserting in lieu thereof the following:

9 (2) Notwithstanding any other provision of law, if a municipality has
10 entered into an agreement that reduces the municipality’s education property
11 tax liability under this chapter and the municipality establishes a tax increment
12 financing district under 24 V.S.A. chapter 53, subchapter 5, for the properties
13 located within both the agreement and the tax increment financing district, the
14 municipality’s municipal and education tax increment shall be calculated based
15 on the assessed value of the properties in the municipality’s grand list and not
16 on the stabilized value.

17 and by striking out subdivision (f)(4) and its following asterisks in their
18 entireties.

19 Second: In Sec. 4, 24 V.S.A. § 1891, in subdivision (7), in the first sentence,
20 by inserting “and related costs” after “improvements” and by striking out “and
21 related costs” after “improvements” in the second sentence.

1 Third: In Sec. 5, 24 V.S.A. § 1895, in subsection (b), by inserting “when the
2 district is established” after “Any parcel within a district” in the first sentence.

3 Fourth: By striking out Sec. 6, effective date, in its entirety, and inserting in
4 lieu thereof the following:

5 Sec. 6. 24 V.S.A. § 1896 is amended to read:

6 § 1896. TAX INCREMENTS

7 (a) In each year following the creation of the district, the listers or assessor
8 shall include ~~no~~ not more than the original taxable value of the real property in
9 the assessed valuation upon which the treasurer computes the rates of all taxes
10 levied by the municipality and every other taxing district in which the tax
11 increment financing district is situated; but the treasurer shall extend all rates
12 so determined against the entire assessed valuation of real property for that
13 year. In each year ~~for which the assessed valuation exceeds the original~~
14 ~~taxable value~~, the municipality shall hold apart, rather than remit to the taxing
15 districts, that proportion of all taxes paid that year on the real property in the
16 district ~~which~~ that the excess valuation bears to the total assessed valuation.

17 The amount held apart each year is the “tax increment” for that year. ~~No~~ Not
18 more than the percentages established pursuant to section 1894 of this
19 subchapter of the municipal and State education tax increments received with
20 respect to the district and committed for the payment for financing for
21 improvements and related costs shall be segregated by the municipality in a

1 special tax increment financing account and in its official books and records
2 until all capital indebtedness of the district has been fully paid. The final
3 payment shall be reported to the treasurer, who shall thereafter include the
4 entire assessed valuation of the district in the assessed valuations upon which
5 municipal and other tax rates are computed and extended and thereafter no
6 taxes from the district shall be deposited in the district’s tax increment
7 financing account.

8 * * *

9 (e) In each year, a municipality shall remit not less than the aggregate
10 original taxable value to the Education Fund.

11 Sec. 7. EFFECTIVE DATE

12 This act shall take effect on July 1, 2021.

13 and that after passage the title of the bill be amended to read: “An act relating
14 to project-based tax increment financing and miscellaneous amendments to tax
15 increment financing districts”

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18 (Committee vote: _____)

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Representative _____

FOR THE COMMITTEE