

TAX INCREMENT FINANCING DISTRICTS

SUMMARY OF APPLICATION PROCESS FOR UTILIZATION OF INCREMENTAL STATE EDUCATION PROPERTY TAX

For detail regarding the entire process of establishing and implementing a TIF District in Vermont, refer to “Creating a TIF District in Vermont.” To obtain approval to utilize incremental state education property tax revenue to help finance TIF District infrastructure debt, the Vermont Economic Progress Council must determine if a TIF application and TIF District Plan meet statutory approval criteria based on need (But For), process, location, project goals, and determine nexus and proportionality. A TIF Financing Plan must also be reviewed for consistency with the TIF District Plan.

Step 1: Learn about the program:

Municipality reviews “Creating a TIF District in Vermont,” “TIF Definitions,” “TIF Timeline” and the “TIF Statute” before contacting VEPC or filing an application.

Step 2: Inform VEPC of municipal interest in program:

Municipality contacts VEPC to discuss project and application. A meeting between VEPC staff and municipal officials is recommended. Contact Fred Kenney:(802)828-5256 or fred.kenney@state.vt.us

Step 3: Seek local approval of TIF Plan:

Municipality begins the process to obtain local approval of a TIF Plan. See “TIF Statute” and “Creating a TIF District in Vermont.”

Step 4: Seek state approval to utilize Education Property Tax Revenue:

- (a) Municipality files an “Intent to Apply Form” with VEPC. To file an application, a municipality must first file an “Intent to Apply for TIF District Approval” to the Vermont Economic Progress Council. The intent form must be filed at least 60 days before a complete application is filed.
- (b) Utilizing the “TIF Application Instructions and Forms,” municipality files with VEPC a “TIF District Application,” which includes a “TIF District Plan,” and may include a “TIF District Financing Plan”(TIF District Financing Plan may be filed at a later date). The application must be accompanied by a non-refundable \$5000 Application Fee. A complete application must be filed by the due dates listed for scheduled VEPC meetings (see VEPC meeting calendar), but not prior to the expiration of the 60 day “Intent to Apply” period. If the application is found to be incomplete, the municipality will have until the next application due date to file a complete application.

Step 5: VEPC Considers Application:

If the application is found to be complete, VEPC will schedule consideration of the TIF District application. Consideration will consist of the following:

- **Public Comment:**
 - Public comment should be limited to only the criteria under consideration by the Vermont Economic Council as required by statute. The Council will consider those issues that pertain to the criteria included in statute to authorize the utilization of incremental education tax revenue for the purposes of financing TIF infrastructure debt. For details on the criteria being considered by VEPC, see 32 VSA §5404a(h) (or <http://economicdevelopment.vermont.gov/Portals/0/Quick%20Program%20Facts.pdf>)
 - Once an application is filed, VEPC will accept written comments on the application until the date of final consideration by the VEPC Board. Information on TIF Applications that have been submitted and the expected date of consideration will be posted on the Council's website: <http://economicdevelopment.vermont.gov/Programs/VEPC/tabid/124/tabid/156/default.aspx>
 - Any comments must include the name, address, and affiliation (if there is one) of the person submitting the comments.
 - Comments may be submitted by email (to fred.kenney@state.vt.us) or by mail (Fred Kenney, VEPC, National Life Building, 6th Floor, Montpelier, Vermont 05620).
 - There will also be a limited amount of time for public comment at a VEPC meeting. A total of 15 minutes will be set aside at the beginning of the meeting and a sign-up sheet for three minute slots provided. If you plan to give oral comment, please also provide your comments in writing either in advance or at the meeting.
- **Presentation by the applicant municipality:**
 - Officials representing the municipality will be required to give a presentation on their application and answer any questions from the VEPC Board.
 - Only elected or appointed officials of the municipality may present information. At least one of the two officials that signed the application must be present. Consultants or other third parties on contract to the municipality may be present and offer brief comments, but may not be the presenters or primary respondents to VEPC Board questions.
- **Location of VEPC Board meeting to consider TIF Applications:**
 - Whenever possible, the VEPC Board will schedule the board meeting at a location within the applicant municipality and will tour the proposed TIF District area prior to the meeting.
- **Consideration deadline:**
 - There is no statutory deadline for the consideration or decision by VEPC of TIF District applications.
 - Every effort will be made to schedule consideration of a TIF District application within 60 days of the receipt of a complete application and make a determination within 120 days. Consideration may involve deliberations at more than one monthly VEPC Board meeting.

Step 6: Application Approval or Denial

If approved by the Vermont Economic Progress Council, the Council will provide the municipality with an approval document including determinations, exclusions, and conditions in regards to the approval criteria. If not approved by the Vermont Economic Progress Council, the Council will provide the municipality with an explanation for the denial, including determinations in regards to the approval criteria.

Step 7: Seek Local and State Approval of TIF Financing Plan:

- (a) **State Approval:** If a TIF Financing Plan was not approved by VEPC concurrent with the TIF Plan, in accordance with the rules and procedures established by the Vermont Economic Progress Council, provide the Council with all information related to the proposed TIF infrastructure debt in a TIF Financing Plan.
- (b) **Local Approval:** Seek authorization by the legal voters of the municipality to pledge the credit of the municipality for the purposes of TIF District Debt.

Step 8: Implement TIF District

Step 9: File required annual reports.