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H.84

Introduced by Representatives Kimbell of Woodstock and Marcotte of
Coventry

Referred to Committee on

Date:

Subject: Tax; tax credits; designated centers; neighborhood development areas

Statement of purpose of bill as introduced: This bill proposes to extend the
downtown and village center tax credit program to neighborhood development
areas as well as raise the cap on the amount of tax credits available.

An act relating to the downtown and village center tax credit program

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. § 5930aa is amended to read:

§ 5930aa. DEFINITIONS

As used in this subchapter:

(1) “Qualified applicant” means an owner or lessee of a qualified
building involving a qualified project, but does not include a State or federal
agency or a political subdivision of either; or an instrumentality of the United
States.

(2) “Qualified building” means a building built at least 30 years before
the date of application, located within a designated downtown or village

1 center, or neighborhood development area, which, upon completion of the
2 project supported by the tax credit, will be an income-producing building not
3 used solely as a single-family residence. Churches and other buildings owned
4 by religious organization may be qualified buildings, but in no event shall tax
5 credits be used for religious worship.

6 (3) “Qualified code improvement project” means a project:

7 (A) to install or improve platform lifts suitable for transporting
8 personal mobility devices, limited use or limited application elevators,
9 elevators, sprinkler systems, and capital improvements in a qualified building,
10 and the installations or improvements are required to bring the building into
11 compliance with the statutory requirements and rules regarding fire prevention,
12 life safety, and electrical, plumbing, and accessibility codes as determined by
13 the Department of Public Safety;

14 (B) to abate lead paint conditions or other substances hazardous to
15 human health or safety in a qualified building; or

16 (C) to redevelop a contaminated property in a designated downtown
17 ~~or~~, village center, or neighborhood development area under a plan approved by
18 the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

19 (4) “Qualified expenditures” means construction-related expenses of the
20 taxpayer directly related to the project for which the tax credit is sought but
21 excluding any expenses related to a private residence.

1 (c) A village center designated by the State Board pursuant to
2 subsection (a) of this section is eligible for the following development
3 incentives and benefits:

4 * * *

5 ~~(4) The following State tax credits for projects located in a designated~~
6 ~~village center:~~

7 ~~(A) A State historic rehabilitation tax credit of ten percent under 32~~
8 ~~V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation~~
9 ~~tax credit.~~

10 ~~(B) A State façade improvement tax credit of 25 percent under 32~~
11 ~~V.S.A. § 5930cc(b).~~

12 ~~(C) A State code improvement tax credit of 50 percent under 32~~
13 ~~V.S.A. § 5930cc(e) The Downtown and Village Center Tax Credit Program~~
14 ~~described in 32 V.S.A. § 5930aa et seq.~~

15 * * *

16 Sec. 4. 24 V.S.A. § 2793e is amended to read:

17 § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
18 NEIGHBORHOOD DEVELOPMENT AREAS

19 * * *

20 (f) Neighborhood development area incentives for developers. Once a
21 municipality has a designated neighborhood development area or has a

1 Vermont neighborhood designation pursuant to section 2793d of this title, any
2 proposed development within that area shall be eligible for each of the benefits
3 listed in this subsection. These benefits shall accrue upon approval by the
4 district coordinator, who shall review the density requirements set forth in
5 subdivision (c)(7) of this section to determine benefit eligibility and issue a
6 jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density
7 requirements are met. These benefits are:

8 (1) ~~The~~ the application fee limit for wastewater applications stated in
9 3 V.S.A. § 2822(j)(4)(D);

10 (2) ~~The~~ the application fee reduction for residential development stated
11 in 10 V.S.A. § 6083a(d);

12 (3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A.
13 § 10002(p); and

14 (4) eligibility for the Downtown and Village Center Tax Credit Program
15 described in 32 V.S.A. § 5930aa et seq.

16 * * *

17 Sec. 5. 24 V.S.A. § 2794 is amended to read:

18 § 2794. INCENTIVES FOR PROGRAM DESIGNEES

19 (a) Upon designation by the Vermont Downtown Development Board
20 under section 2793 of this title, a downtown development district and projects
21 in a downtown development district shall be eligible for the following:

