

# STATE AUDITOR DOUG HOFFER

## PRESS RELEASE

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## Auditor Applauds TIF Reforms

In the closing days of its 2013 session, the Vermont Legislature tackled many significant issues. One that received little notice in the rush of business was the passage of Senate Bill 37, which reforms the state's Tax Increment Financing (TIF) laws.

"TIF is a complicated matter," said State Auditor of Accounts Doug Hoffer. "I'm pleased that the Legislature took the time to pass this important bill on the session's final day."

He added that the bill "resolves some very complex issues," and creates a solid foundation for Vermont's TIF program going forward.

Tax increment financing is a public financing method that provides communities with a means to fund redevelopment and infrastructure improvements. A community is allowed to borrow money against the future growth in property tax revenue within a designated TIF district that is made possible by the improvements.

Serious problems with Vermont's TIF laws were brought to light when the Auditor's office released a series of audits conducted at the request of the legislature. Hoffer noted that "the audits revealed ambiguities and internal inconsistencies in the TIF statutes, problems with how the towns were administering the program, and a lack of adequate state oversight or enforcement."

According to Hoffer, "S. 37 establishes much needed clarity in the statutes, provides a mechanism for resolving future disputes, and requires payments by the towns for monies mistakenly withheld from the Education Fund." It also establishes a process for future performance audits of TIF's by the Auditor's office.

"We identified a number of problems and they were addressed in the Bill," said Hoffer. He praised the collaborative work of Auditor staff, the Legislature, and the towns in crafting a better TIF law.