

Testimony to Commission on the Future, 12-2-24

Tax stabilization

Thank you, madam chair. Good afternoon, everybody.

I'm Ken Fredette, from Wallingford and Friends of Vermont Public Education
savevtpubliced.org.

I know you have a pressing deadline to meet, so I will strive to be brief. In fact, my intention was to only wish you all good luck today, and let you get on with your task, but then I opened up the Rutland Herald on Thanksgiving Day and saw the headline "Belden seeks tax stabilization" (for a proposed hotel in downtown Rutland), and decided to bang on my Tax Increment Financing district drum one more time before you issue your preliminary report 13 days hence.

I refer you to my testimony and the attached commentary to this Commission from 9-9-24 for a more detailed background on how I came to form my opinion on TIF projects, but the gist is I do not object to the concept – in fact I see the potential for a lot of good – it is simply the revenue source I object to, that being property taxes. People in one municipality vote to form a TIF, and all property owners in Vermont foot the bill. That could easily be construed to be in violation of the Common Benefits Clause of the Vermont Constitution, and would seem to be a classic example of taxation without representation, but of course the counter to all that is that taxpayers get a return on their investments down the road. Eventually. Maybe. Unless they don't.

Now we see a developer trying to circumvent that process by asking that the valuation of a multi-story hotel be held at \$400,000 for a decade – and if that effort is successful, it pushes the ROI that much further into the future.

At a time when alleviating the tax burden on Vermont property owners is rightly very high up, if not at the top of legislative priorities, I once again point to TIF-s as low-hanging fruit that could help achieve that end, and again suggest this Commission recommend an immediate moratorium on all TIF funding until such time as legislation can be crafted to provide for a revenue source that is broader than just Vermont property owners.

Thank you,

Ken Fredette

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