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H.287

Introduced by Representatives Botzow of Pownal, Marcotte of Coventry,
Dickinson of St. Albans Town, Kitzmiller of Montpelier,
Kupersmith of South Burlington, Ralston of Middlebury, Shand
of Weathersfield and Young of Albany

Referred to Committee on

Date:

Subject: Commerce and trade; economic development; job creation

Statement of purpose: This bill proposes to create additional jobs and increase
nonpublic-sector median household income through tax credits and incentives
and new and amended economic development programs in the areas of
workforce training, entrepreneurship, and the creative economy; access to
capital, agriculture, housing, and development; and regional and statewide
planning.

An act relating to job creation and economic development

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

~~*** Tax Credits; VEGI; Grants; Incentives ***~~

Sec. 1. 32 V.S.A. chapter 151, subchapter 11N is added to read:

Subchapter 11N. Economic Development Credits

and Incentives

§ 5930nn. VERMONT BUSINESS PARTNER INCENTIVE

(a) Definitions. In this section:

(1) "Eligible new employer" means a person:

(A) who has been in business for three or more years and has its principal place of business in a state other than Vermont;

(B) who has an existing business relationship with a qualified taxpayer;

(C) who relocates its principal place of business to Vermont with five or more new Vermont full-time employees; and

(D) who does not control, and who is not controlled by, the qualified taxpayer recruiting the person to Vermont. For purposes of this subdivision, "control," including the term "controlled by," means:

(i) having the power, directly or indirectly, to elect or remove a majority of the members of the other governing body of a person through the ownership of voting shares or interests, by contract, or otherwise; or

(ii) being subject to a majority of the risk of loss from the person's activities or entitled to receive a majority of the person's residual returns.

1 ~~(2) "Full time employee" means an employee who works at least 35~~
2 ~~hours per week and is paid a qualified wage.~~

3 ~~(3) "Qualified taxpayer" means a person in good standing with its~~
4 ~~obligations to the state who is subject to the income tax imposed under this~~
5 ~~chapter and who successfully recruits an eligible new employer to relocate to~~
6 ~~Vermont.~~

7 ~~(4) "Qualified wage" means compensation that meets or exceeds the~~
8 ~~prevailing wage and benefit levels for the region and sector, as determined by~~
9 ~~the commissioner of labor.~~

10 ~~(5) "Secretary" means the secretary of commerce and community~~
11 ~~development.~~

12 (b) Certification

13 (1) A qualified taxpayer and an eligible new employer may each apply
14 to the secretary for a Vermont business partner incentive certification for the
15 successful recruitment and relocation of the eligible new employer to Vermont.

16 (2) The secretary shall issue a certification to the applicant, on a form
17 created by the secretary for that purpose, upon the secretary's determination
18 that the applicant meets the requirements of this section. The certification shall
19 include:

1 ~~(A) a statement that the qualified taxpayer and the eligible new~~
2 ~~employer meet the requirements necessary to receive a credit under this~~
3 ~~section;~~

4 ~~(B) the date upon which the eligible new employer relocated to~~
5 ~~Vermont; and~~

6 ~~(C) the number of full-time employees for whom a credit may be~~
7 ~~claimed.~~

8 ~~(3) The secretary may in his or her discretion reduce the minimum~~
9 ~~number of five full-time employees required under this section if the~~
10 ~~compensation paid to one or more new Vermont employees of the new eligible~~
11 ~~employer exceeds the qualified wage.~~

12 ~~(4) A person claiming a credit under this section shall submit to the~~
13 ~~department of taxes a copy of the certification with the return on which the~~
14 ~~credit is claimed.~~

15 ~~(c) Amount and availability of credit.~~

16 ~~(1) A qualified taxpayer and an eligible new employer shall each be~~
17 ~~entitled to claim against the tax imposed under this chapter an amount equal to~~
18 ~~\$500.00 for each full-time employee of the eligible new employer who~~
19 ~~relocates to Vermont on or before December 31, 2012, as certified by the~~
20 ~~secretary, not to exceed \$5,000.00 per claimant per year.~~

1 ~~(2) The credit earned under this section shall be used in the tax year~~
2 ~~following the year in which the eligible new employer relocates to Vermont,~~
3 ~~and shall not be carried forward.~~

4 ~~(3) A qualified taxpayer or eligible new employer shall not claim in the~~
5 ~~same tax year both an incentive awarded under this section and an incentive~~
6 ~~awarded under section 5930b of this title.~~

7 ~~(d) The secretary shall submit to the general assembly and the governor a~~
8 ~~written comprehensive assessment of the program not later than 24 months~~
9 ~~following the date of the initial certification granted under this section.~~

10 Sec. 2. Sec. 3(c) of No. 184 of the Acts of the 2005 Adj. Sess. (2006) is
11 amended to read:

12 (c) Beginning April 1, 2009, the economic incentive review board is
13 authorized to grant payroll-based growth incentives pursuant to the Vermont
14 employment growth incentive program established by Sec. 9 of this act.

15 Unless extended by act of the General Assembly, as of ~~January~~ July 1, 2012,
16 no new Vermont employment growth incentive (VEGI) awards under
17 32 V.S.A. § 5930b may be made. Any VEGI awards granted prior to
18 January 1, 2012 may remain in effect until used.

19 Sec. 3. 32 V.S.A. § 5930a(c)(1) is amended to read:

20 (1) The enterprise should create new, full-time jobs to be filled by
21 individuals who are Vermont residents. The new jobs shall not include jobs or

1 ~~employees transferred from an existing business in the state, or replacements~~
2 ~~for vacant or terminated positions in the applicant's business. The new jobs~~
3 ~~include those that exceed the applicant's average annual employment level in~~
4 ~~Vermont during the two preceding fiscal years, unless the council determines~~
5 ~~that the enterprise will establish a new line of business or create new jobs that~~
6 ~~are not part of the enterprise prior to making the application for incentives to~~
7 ~~the council. The enterprise should provide opportunities that increase income,~~
8 ~~reduce unemployment, and reduce facility vacancy rates. Preference should be~~
9 ~~given to projects that enhance economic activity in areas of the state with the~~
10 ~~highest levels of unemployment and the lowest levels of economic activity.~~

11 Sec. 4. 32 V.S.A. § 5930b(a)(24) is amended to read:

12 (24) "Wage threshold" means the minimum annualized Vermont gross
13 wages and salaries paid, as determined by the council, but not less than 60
14 percent above the Vermont minimum wage at the time of application, in order
15 for a new job to be a qualifying job under this section, unless the council
16 determines that, based on a certification by the secretary of commerce and
17 community development, the enterprise would create new jobs in an area of
18 Vermont with an unemployment rate at or above the statewide unemployment
19 rate.

1 ~~Sec. 5. 32 V.S.A. § 5930b(e) is amended to read:~~

2 (e) Reporting. By May 1, 2008 and by May 1 each year thereafter, the
3 council and the department of taxes shall file a joint report on the employment
4 growth incentives authorized by this section with the chairs of the house
5 committee on ways and means, the house committee on commerce and
6 economic development, the senate committee on finance, the senate committee
7 on economic development, housing and general affairs, the house and senate
8 committees on appropriations, and the joint fiscal committee of the general
9 assembly and provide notice of the report to the members of those committees.
10 The joint report shall contain the total authorized award amount of incentives
11 granted during the preceding year, amounts actually earned and paid from
12 inception of the program to the date of the report, including the date and
13 amount of the award, the expected calendar year or years in which the award
14 will be exercised, whether the award is currently available, the date the award
15 will expire, ~~and~~ the amount and date of all incentives exercised, and any
16 waiver of the wage threshold requirements pursuant to subdivision (a)(24) of
17 this section. The joint report shall also include information on recipient
18 performance in the year in which the incentives were applied, including the
19 number of applications for the incentive, the number of approved applicants
20 who complied with all their requirements for the incentive, the aggregate
21 number of new jobs created, the aggregate payroll of those jobs and the

1 ~~identity of businesses whose applications were approved. The council and~~
2 department shall use measures to protect proprietary financial information,
3 such as reporting information in an aggregate form.

4 Sec. 6. SCIENCE, TECHNOLOGY, ENGINEERING, AND
5 MATHEMATICS TAX GRANT PROGRAM

6 (a) In this section:

7 (1) "Accredited institution" means an educational institution that is
8 accredited by a regional accrediting association or by one of the specialized
9 accrediting agencies recognized by the United States Secretary of Education.

10 (2) "New employee" means a person who:

11 (A) graduated from an accredited institution with an associate's
12 degree or higher not more than 18 months before the first date of full-time
13 employment in the area of science, technology, engineering, or mathematics;

14 (B) is employed not less than 12 consecutive months; and

15 (C) is paid annual compensation of not less than \$40,000.00, adjusted
16 annually based on the federal consumer price index, plus benefits, and

17 (D) is certified by the secretary as a new full-time employee of an
18 employer in good standing.

19 (3) "Science, technology, engineering, and mathematics" mean areas of
20 employment determined by the secretary of commerce and community

1 ~~development to require a high level of scientific or mathematical knowledge~~
2 ~~and skill, excluding similar employment in Vermont colleges or universities.~~

3 ~~(4) "Student loan" means debt incurred from a financial institution for~~
4 ~~the purpose of paying college tuition and expenses at an accredited institution,~~
5 ~~excluding any debt or other financial assistance provided by a family member,~~
6 ~~relative, or other private person.~~

7 ~~(b)(1) The secretary of commerce and community development shall adopt~~
8 ~~regulations to design and implement a Vermont science, technology,~~
9 ~~engineering, and mathematics grant program, under which a new employee~~
10 ~~shall be eligible for a grant to pay qualifying student loans in an amount up to~~
11 ~~\$1,500.00 per year for not more than five years.~~

12 ~~(2) The secretary shall award up to a maximum of \$75,000.00 per year~~
13 ~~for grants in accordance with this section.~~

14 ~~(c) The secretary shall develop and maintain a list of occupations he or she~~
15 ~~determines are in the areas of science, technology, engineering, and~~
16 ~~mathematics eligible for a grant under this section.~~

17 Sec. 7. LONG-TERM UNEMPLOYED GRANT PROGRAM

18 (a) In this section:

19 (1) "New full-time employment" means employment by a qualified
20 employer in a permanent position at least 35 hours each week and for 180 days
21 or more in the calendar year for which the credit is claimed at a compensation

1 ~~of not less than 20 percent greater than the prevailing wage for the~~
2 ~~corresponding economic sector or region of the state as determined by the~~
3 ~~Vermont department of labor.~~

4 ~~(2) "Qualified employer" means a person doing business in Vermont~~
5 ~~that is registered with the Vermont secretary of state, is current with all~~
6 ~~payments and filings required by the Vermont departments of taxes and of~~
7 ~~labor, and has a valid worker's compensation policy.~~

8 ~~(3) "Qualifying long-term unemployed Vermonter" means a legal~~
9 ~~resident of Vermont who collected unemployment insurance benefits for five~~
10 ~~months or more within 30 days of the date of new employment with a qualified~~
11 ~~employer, hired through the resources of the Vermont department of labor.~~

12 ~~(b) A qualified employer who provides new full-time employment to a~~
13 ~~qualifying long-term unemployed Vermonter through a referral made by the~~
14 ~~department of labor shall be eligible to receive a grant one year after the~~
15 ~~employee's date of hire in the amount of \$500.00 for each new employee, not~~
16 ~~to exceed \$5,000.00 per year per employer.~~

17 ~~(c) The grant program created in this section shall be funded through a~~
18 ~~general fund appropriation not to exceed \$25,000.00 and shall expire on~~
19 ~~January 1, 2013.~~

20 ~~(d) The commissioner of labor shall administer the grant program created~~
21 ~~in this section, and shall develop:~~

1 ~~(1) a grant application form for qualified employers;~~

2 ~~(2) a process for verifying compliance with the eligibility requirements~~

3 ~~of the program; and~~

4 ~~(3) a process for assessing the success of the program.~~

5 Sec. 8. [RESERVED]

6 Sec. 9. [RESERVED]

7 * * * Labor; Workforce Training * * *

8 Sec. 10. 10 V.S.A. § 531 is amended to read:

9 § 531. EMPLOYMENT TRAINING

10 (a) The secretary of commerce and community development may issue
11 performance-based grants to any employer, consortium of employers, or
12 ~~contract with~~ providers of training, either individuals or organizations, as
13 necessary, to conduct training under the following circumstances:

14 * * *

15 (b) The secretary of commerce and community development shall find in
16 the grant ~~or contract~~ that:

17 (1) the employer's new or expanded facility will enhance employment
18 opportunities for Vermont residents;

19 (2) the existing labor force within the state will probably be unable to
20 provide the employer with sufficient numbers of employees with suitable
21 training and experience; ~~and~~

1 ~~(3) the employer provides its employees with at least three of the~~
2 following:

3 (A) health care benefits with 50 percent or more of the premium paid
4 by the employer;

5 (B) dental assistance;

6 (C) paid vacation and holidays;

7 (D) child care;

8 (E) other extraordinary employee benefits; and

9 (F) retirement benefits; and

10 (4) the training is directly related to the employment responsibilities of
11 the trainee.

12 (c) The employer promises as a condition of the grant to:

13 (1) employ new persons at a wage which, at the completion of the
14 training program, is two times the prevailing state or federal minimum wage,
15 whichever is greater, reduced by the value of any existing health benefit
16 package up to a limit of ~~30~~ 35 percent of the gross program wage, or for
17 existing employees, to increase the wage to two times the prevailing state and
18 federal minimum wage, whichever is greater, reduced by the value of any
19 existing health benefit package up to a limit of ~~20~~ 25 percent of the gross
20 program wage, upon completion of training; provided, however, that in areas
21 defined by the secretary of commerce and community development in which

1 ~~the secretary finds that the rate of unemployment is 50 percent greater than the~~
2 average for the state, the wage rate under this subsection may be set by the
3 secretary at a rate no less than one and one-half times the federal or state
4 minimum wage, whichever is greater;

5 * * *

6 (4) survey all employers and employees as appropriate upon completion
7 of training in a manner described in the grant agreement; and

8 (5) submit a customer satisfaction report to the secretary of commerce
9 and community development no more than 30 days from the last day of the
10 training program, which shall be used to evaluate the program and make
11 necessary changes.

12 (d) In issuing a grant ~~or entering a contract~~ for the conduct of training
13 under this section, the secretary of commerce and community development
14 shall:

15 (1) first consult with: the commissioner of education regarding
16 vocational-technical education; the commissioner of labor regarding
17 apprenticeship programs, on-the-job training programs, and recruiting through
18 Vermont Job Service and available federal training funds; the commissioner
19 for children and families regarding welfare to work priorities; and the
20 University of Vermont and the Vermont state colleges;

1 ~~(2) disburse grant funds only for training hours that have been~~
2 ~~successfully completed by employees; and~~

3 ~~(3) use funds under this section only to supplement training efforts of~~
4 ~~employers and not to replace or supplant efforts of employers or any other~~
5 ~~public funds otherwise available, excluding the workforce education and~~
6 ~~training fund established in section 543 of this title.~~

7 * * *

8 (h) The secretary may designate the commissioner of economic, housing
9 and community development to carry out his or her powers and duties under
10 this chapter.

11 * * *

12 (k) The secretary of commerce and community development may in his or
13 her discretion grant a waiver of the compensation requirements in subsections
14 (b) and (c) of this section in a region of the state having an unemployment rate
15 of 15 percent or greater than the state average.

16 (l) Annually, on or before January 15, the secretary shall submit a mid-year
17 report to the house committee on commerce and economic development and
18 the senate committee on economic development, housing and general affairs
19 summarizing all active and completed contracts and grants, the types of
20 training activities provided, the number of employees served, their average
21 wage, and addressing any waivers granted.

1 ~~Sec. 11. VERMONT YOUTH INTERNSHIP PROGRAM~~

2 ~~(a) The department of labor shall develop and administer a Vermont~~
3 ~~statewide internship program for Vermont youth in high school, in college, and~~
4 ~~those who are recent graduates of 18 months or less.~~

5 ~~(b) The department shall collaborate with other state agencies and~~
6 ~~departments that have workforce development and training monies to research~~
7 ~~and determine new and existing funding sources, program goals, quantifiable~~
8 ~~measurements and data, and to work with other public and private entities to~~
9 ~~develop and enhance internship programs, opportunities, and activities.~~

10 ~~(c) Internships may be encouraged among all sectors, including Vermont~~
11 ~~agriculture and STEM (science, technology, engineering and mathematics)~~
12 ~~employers, as well as other employment areas where recruitment problems~~
13 ~~exist due to a skill gap in the current workforce.~~

14 ~~(d) The department of labor, the department of building and general~~
15 ~~services, and the agency of administration will collaborate to involve the state~~
16 ~~of Vermont as an employer in the internship program to develop criteria for~~
17 ~~internship opportunities with certain entities awarded a state contract for~~
18 ~~services, and to reimburse buildings and general services for certain costs~~
19 ~~associated with workers' compensation coverage for interns.~~

20 ~~(e) The department of labor, the department of education, and the agency of~~
21 ~~commerce and community development shall collaborate to develop or~~

1 ~~enhance a website that will post internship opportunities, and will connect~~
2 Vermont graduates living in-state and out-of-state with current job postings
3 from Vermont employers, with a focus on STEM jobs and other employment
4 areas where recruitment problems exists due to a skill gap in the current
5 workforce.

6 (f) Program costs in fiscal year 2012 will be funded through an
7 appropriation from the Next Generation money, and subsequent years' funding
8 shall be recommended by the departments of labor and of education, and the
9 agency of commerce and community development.

10 (g) The internship program shall attempt to place at least 100 students and
11 recent graduates in fiscal year 2012.

12 Sec. 12. [RESERVED]

13 Sec. 13. [RESERVED]

14 Sec. 14. [RESERVED]

15 * * * Entrepreneurship; Creative Economy * * *

16 Sec. 15. 3 V.S.A. § 2471c is added read:

17 § 2471c. OFFICE OF CREATIVE ECONOMY

18 (a) The office of creative economy is created within the agency of
19 commerce and community development.

20 (b) The office shall be administered by a director appointed by the
21 secretary pursuant to section 2454 of this chapter and shall be supervised by

1 ~~the commissioner of the department of economic, housing and community~~
2 ~~development.~~

3 ~~(c) The director shall promote and support the arts, creative businesses,~~
4 ~~intellectual property, and cultural nonprofits in order to produce and distribute~~
5 ~~cultural and innovative commercial goods and services that strengthen the~~
6 ~~Vermont economy through increased employment, increased state revenue,~~
7 ~~and enhanced quality of life.~~

8 Sec. 16. REPEAL

9 ~~10 V.S.A. chapter 26, subchapter 1 (Vermont film corporation) is repealed.~~

10 Sec. 17. 10 V.S.A. chapter 26, subchapter 3 (Vermont film production
11 incentive program) is amended to read:

12 Subchapter 3. Vermont Film Production Incentive Program

13 § 650. DEFINITIONS

14 * * *

15 (3) ~~“Corporation” means the Vermont film corporation~~ “Director”
16 means the director of the office of creative economy established in 3 V.S.A.
17 § 2471c.

18 * * *

19 § 650a. ESTABLISHMENT

20 There is established within the agency a program to be known as the film
21 production grant program. The program shall be administered by the

1 ~~corporation and the agency director to provide grants to persons for certain~~
2 ~~films produced within Vermont.~~

3 § 650b. APPLICATION

4 (a) Application. Prior to commencing production of a film, a person may
5 submit an application to the ~~corporation~~ ~~informing it of~~ director ~~demonstrating~~
6 the person's intention to request a grant for a Vermont film production. The
7 application shall be on the form required by the ~~corporation~~ director and shall
8 include or demonstrate all of the following:

9 * * *

10 (6) Any other information required by the ~~corporation or the agency~~
11 director.

12 (b) Submissions. Within 60 days of the completion of production of a film,
13 the applicant shall file verification of expenditures with the ~~agency~~ director.
14 The application shall be on the form required by the ~~agency~~ director and shall
15 include or demonstrate all of the following:

16 (1) An itemized list of Vermont production expenses actually incurred.
17 Expenses submitted under this section may not in the aggregate exceed the
18 amount of projected expenses submitted to the department under subdivision
19 (a)(2) of this section.

20 (2) The date of the completion of production of the film.

1 ~~(3) Any other information required by the corporation or agency~~
2 director.

3 § 650c. REVIEW

4 The ~~corporation~~ director shall review the application to determine if the
5 applicant has met all of the criteria set forth in section 650b of this title
6 (relating to application).

7 § 650d. APPROVAL

8 The following shall apply:

9 (1) Upon being satisfied that all requirements have been met and subject
10 to section 650c (relating to limitations) of this title, the ~~corporation~~ director
11 may approve the application and recommend that the secretary award a film
12 production grant.

13 (2) Prior to providing grant funds to the applicant, the ~~corporation~~
14 agency shall enter into a contract with the applicant. The contract shall include
15 provisions requiring the applicant to use the grant to pay costs associated with
16 the production of the film.

17 (3) The ~~corporation~~ agency may impose any other terms and conditions
18 on the grants authorized by this chapter as the ~~corporation~~ agency determines
19 are in the best interests of Vermont

1 ~~§ 650e. PENALTY~~

2 (a) Imposition. Except as provided in subsection (b) of this section, the
3 agency shall impose a penalty upon a recipient for violation of the contract
4 required by section 650d of this title (relating to approval).

5 (b) Exception. The agency may waive the penalty required by subsection
6 (a) of this section ~~if the corporation determines~~ based on a determination and
7 recommendation from the director that the failure was due to circumstances
8 outside the control of the recipient.

9 (c) Amount. The amount of the penalty shall be equal to the full amount of
10 the grant received plus an additional amount of up to 10 percent of the amount
11 of the grant received. The penalty shall be payable in one lump sum or in
12 installments, with or without interest, as the secretary of the agency deems
13 appropriate.

14 * * *

15 Sec. 18. [RESERVED]

16 Sec. 19. [RESERVED]

17 * * * Finance; Access to Capital * * *

18 Sec. 20. 8 V.S.A. § 12603 is amended to read:

19 § 12603. MERCHANT BANKS

20 * * *

1 ~~(f) The minimum amount of initial capital for a merchant bank is~~
2 ~~\$10,000,000.00 \$1,000,000.00, all of which at least \$5,000,000.00 shall be~~
3 ~~common stock or equity interest in the merchant bank. The balance may be~~
4 ~~composed of qualifying subordinated or similar debt A merchant bank may use~~
5 ~~qualified subordinated debt or senior debt as part of its capital structure above~~
6 ~~\$1,000,000.00, provided that the amount of subordinated debt or senior debt~~
7 ~~used as capital above \$1,000,000.00 is not greater that the amount of common~~
8 ~~stock or equity interest used as capital above \$1,000,000.00. The~~
9 ~~commissioner, in his or her discretion, may increase or reduce the minimum~~
10 ~~capital required for a merchant bank.~~

11 * * *

12 (m) Any acquisition or change in control of ~~five~~ ten percent or more of the
13 common stock or equity interests in a merchant bank shall be subject to the
14 prior approval by the commissioner. The acquiring person shall file an
15 application with the commissioner for approval. The application shall be
16 subject to the provisions of subchapter 7 of chapter 201 of this title.

17 (n) The commissioner ~~may~~ shall examine the merchant bank and any
18 person who controls it to the extent necessary to determine the soundness and
19 viability of the merchant bank in the same manner required by subchapter 5 of
20 chapter 201 of this title.

1 ~~(c) A merchant bank shall include on all its advertising a prominent~~
2 disclosure that deposits are not accepted by a merchant bank.

3 ~~(p) For purposes of this section, "control" means that a person:~~

4 ~~(1) directly, indirectly, or acting through another person owns, controls,~~
5 ~~or has power to vote ten percent or more of any class of equity interest of the~~
6 ~~merchant bank;~~

7 ~~(2) controls in any manner the election of a majority of the directors of~~
8 ~~the merchant bank; or~~

9 ~~(3) directly or indirectly exercises a controlling influence over the~~
10 ~~management or policies of the merchant bank.~~

11 Sec. 21. 10 V.S.A. chapter 3 is added to read:

12 CHAPTER 3. IMMIGRANT INVESTMENT

13 § 21. REGIONAL CENTER IMMIGRANT INVESTMENT FUND

14 (a) The regional center immigrant investment fund is established pursuant
15 to 32 V.S.A. chapter 7, subchapter 5 to be used by the agency of commerce
16 and community development to recover costs incurred in administering the
17 Vermont agency of commerce and community development's regional center
18 for immigrant investment designated by the United States citizenship and
19 immigration services of the Department of Homeland Security.

1 ~~(b) The secretary of commerce and community development shall be~~
2 ~~authorized to establish a fee for costs incurred by the agency in administering~~
3 ~~the regional center for immigrant investment.~~

4 Sec. 22. [RESERVED]

5 Sec. 23. [RESERVED]

6 * * * Housing and Development * * *

7 Sec. 24. 24 V.S.A. § 2793d is amended to read:

8 § 2793d. DESIGNATION OF VERMONT NEIGHBORHOODS

9 (a) ~~A~~ The downtown board may designate a Vermont neighborhood in a
10 municipality that has a duly adopted and approved plan and a planning process
11 that is confirmed in accordance with section 4350 of this title, has adopted
12 zoning bylaws and subdivision regulations in accordance with section 4442 of
13 this title, and has a designated downtown district, a designated village center, a
14 designated new town center, or a designated growth center served by
15 municipal sewer infrastructure or a community or alternative wastewater
16 system approved by the agency of natural resources, ~~is authorized to apply for~~
17 ~~designation of a Vermont neighborhood.~~ An application for designation may
18 be made by a municipality or by a landowner who meets the criteria under
19 subsection (f) of this section. A municipal decision to apply for designation
20 shall be made by the municipal legislative body after at least one duly warned
21 public hearing. Designation is possible in two different situations:

1 ~~(1) Per se approval. If a municipality or land owner submits an~~
2 application in compliance with this subsection for a designated Vermont
3 neighborhood that would have boundaries that are entirely within the
4 boundaries of a designated downtown district, designated village center,
5 designated new town center, or designated growth center, the downtown board
6 shall issue the designation.

7 (2) Designation by downtown board in towns without growth centers. If
8 an application is submitted in compliance with this subsection by a
9 municipality or a land owner in a municipality that does not have a designated
10 growth center and proposes to create a Vermont neighborhood that has
11 boundaries that include land that is not within its designated downtown, village
12 center, or new town center, the downtown board shall consider the application.
13 This application may be for approval of one or more Vermont neighborhoods
14 that are outside but contiguous to a designated downtown district, village
15 center, or new town center. The application for designation shall include a
16 map of the boundaries of the proposed Vermont neighborhood, including the
17 property outside but contiguous to a designated downtown district, village
18 center, or new town center and verification that the municipality or land owner
19 has notified the regional planning commission and the regional development
20 corporation of its application for this designation.

21 * * *

1 ~~(f) In the event the municipality has not adopted either the minimum~~
2 ~~density requirements or neighborhood design standards in its zoning bylaw, the~~
3 ~~owner of the land within a proposed Vermont neighborhood, after providing~~
4 ~~written notice to the municipal legislative body, may apply to the expanded~~
5 ~~downtown board for designation of a Vermont neighborhood by submitting~~
6 ~~locally permitted plans or a development agreement that incorporates the~~
7 ~~standards set out in subdivision (c)(5) of this section.~~

8 Sec. 25. 27A V.S.A. § 1-209 is amended to read:

9 § 1-209. SMALL CONDOMINIUMS; EXCEPTION

10 ~~A condominium that will contain no more than 12 units and is not subject to~~
11 ~~any development rights, unless the declaration provides that the entire act is~~
12 ~~applicable, shall not be subject to subsection Subsection 2-101(b), subdivisions~~
13 ~~2-109(b)(2) and (11), subsection 2-109(g), section 2-115, and Article 4 of this~~
14 ~~title shall not apply to a condominium if the declaration:~~

15 ~~(1) creates fewer than ten units; and~~

16 ~~(2) restricts ownership of a unit to entities that are controlled, affiliated~~
17 ~~with, or managed by the declarant.~~

18 Sec. 26. REPEAL

19 ~~Sec. 12 of No. 155 of the Acts of the 2009 Adj. Sess. (2010) (repeal of~~
20 ~~27A V.S.A. § 1-209, effective January 1, 2012) is repealed.~~

21 Sec. 27. [RESERVED]

1 ~~Sec. 28. [RESERVED]~~

2 * * * Economic Development Planning * * *

3 Sec. 29. 3 V.S.A. § 2293 is amended to read:

4 § 2293. DEVELOPMENT CABINET

5 * * *

6 (c) All state agencies that have programs or take actions affecting land use,
7 including those identified under 3 V.S.A. chapter 67, shall, through or in
8 conjunction with the members of the development cabinet:

9 * * *

10 ~~(11) Report annually to the governor and the legislature, through the~~
11 ~~chair of the development cabinet and the secretary of administration, on the~~
12 ~~effectiveness and impact of this section on the state's economic growth and~~
13 ~~land use development and the activities of the council of regional~~
14 ~~commissions. Repealed.~~

15 (12) Encourage timely and efficient processing of permit applications
16 affecting land use, including 10 V.S.A. chapter 151 and the subdivision
17 regulations adopted under 18 V.S.A. § 1218, in order to encourage the
18 development of affordable housing and small business expansion, while
19 protecting Vermont's natural resources.

20 (13) Participate to the fullest extent possible in creating a long-term
21 economic development plan for the governor, including making available the

1 ~~members of any agency or department of state government as necessary and~~
2 appropriate to support the mission of an interagency work group established
3 under subsection (b) of this section for the purpose of developing the plan.

4 (d)(1) Pursuant to the recommendations of the oversight panel on economic
5 development created in Section G6 of No. 146 of the Acts of the 2009 Adj.
6 Sess. (2010), the development cabinet shall create an interagency work group
7 as provided in subsection (b) of this section with the secretary of commerce
8 and community development serving as its chair.

9 (2) The mission of the work group shall be to develop a long-term
10 economic development plan for the state, which shall identify goals and
11 recommend actions to be taken over ten years.

12 (e)(1) On or before January 15, 2014, and every two years thereafter, the
13 development cabinet shall complete a long-term economic development plan
14 as required under subsection (d) of this section and recommend it to the
15 governor.

16 (2) Commencing with the plan due on or before January 15, 2016 and
17 every two years thereafter, the development cabinet may elect only to prepare
18 and recommend to the governor an update of this plan.

19 (f) The development cabinet shall prepare a long-term economic
20 development plan in accordance with this section every ten years, commencing
21 with the initial plan due on or before January 15, 2014. Administrative support

1 ~~for the short term and long term planning efforts shall be provided by the~~
2 ~~agency of commerce and community development.~~

3 (d)(g) Limitations. This cabinet is strictly an information gathering and
4 coordinating cabinet and confers no additional enforcement powers.

5 Sec. 30. 24 V.S.A. chapter 117 is amended to read:

6 CHAPTER 117. MUNICIPAL AND REGIONAL PLANNING
7 AND DEVELOPMENT

8 * * *

9 § 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

10 A regional planning commission created under this chapter shall:

11 * * *

12 (9) At least once every ~~eight~~ five years, review the compatibility of
13 municipal plans, and if the regional planning commission finds that growth in
14 a municipality without an approved plan is adversely affecting an adjoining
15 municipality, it shall notify the legislative body of both municipalities of that
16 fact and shall urge that the municipal planning be undertaken to mitigate those
17 adverse effects. If, within six months of receipt of this notice, the municipality
18 creating the adverse effects does not have an approved municipal plan, the
19 regional commission shall adopt appropriate amendments to the regional plan
20 as it may deem appropriate to mitigate those adverse effects.

21 * * *

1 ~~§ 4348b. READOPTION OF REGIONAL PLANS~~

2 (a) Unless they are readopted, all regional plans, including all prior
3 amendments, shall expire every ~~eight~~ five years.

4 (b)(1) A regional plan that has expired or is about to expire may be
5 readopted as provided under section 4348 of this title for the adoption of a
6 regional plan or amendment. Prior to any re adoption, the regional planning
7 commission shall ~~review and update the information on which the plan is~~
8 ~~based, and shall consider this information in evaluating the continuing~~
9 applicability of the regional plan prepare an assessment report which shall be a
10 part of the readopted regional plan and shall detail the continuing applicability
11 of the regional plan. The assessment report shall include:

12 (A) the extent to which the plan has been implemented since
13 adoption or re adoption;

14 (B) an evaluation of the goals and policies and any amendments
15 necessary due to changing conditions of the region;

16 (C) an evaluation of the land use element and any amendments
17 necessary to reflect changes in land use within the region or changes to
18 regional goals and policies;

19 (D) priorities for implementation in the next five years;

20 (E) updates to information and data necessary to support goals and
21 policies.

1 ~~(2) The readopted plan shall remain in effect for the ensuing eight five~~
2 years unless earlier readopted.

3 (c) Upon the expiration of a regional plan under this section, the regional
4 plan shall be of no further effect in any other proceeding.

5 * * *

6 § 4350. REVIEW AND CONSULTATION REGARDING MUNICIPAL
7 PLANNING EFFORT

8 (a) ~~As provided in section 4345a(8) and (9) of this chapter, a regional~~
9 planning commission shall consult with its municipalities with respect to the
10 municipalities' planning efforts, ascertaining the municipalities' needs as
11 individual municipalities ~~and as neighbors in a region and the compatibility of~~
12 municipal plans, and identifying the assistance that ought to be provided by the
13 regional planning commission. As a part of this consultation, the regional
14 planning commission, after public notice, shall review the planning process of
15 its member municipalities at least twice during a eight-year period, or more
16 frequently on request of the municipality, and shall so confirm when a
17 municipality:

18 (1) is engaged in a continuing planning process that, within a reasonable
19 time, will result in a plan which is consistent with the goals contained in
20 section 4302 of this title; and

1 ~~(2) is maintaining its efforts to provide local funds for municipal and~~
2 regional planning purposes.

3 (b)~~(1)~~ As part of the consultation process, the commission shall consider
4 whether a municipality has adopted a plan. In order to obtain or retain
5 confirmation of the planning process ~~after January 1, 1996~~, a municipality
6 must have an approved plan. A regional planning commission shall review
7 and approve plans and plan amendments of its member municipalities, when
8 approval is requested and warranted. Each review shall include a public
9 hearing which is noticed at least 15 days in advance by posting in the office of
10 the municipal clerk and at least one public place within the municipality and
11 by publication in a newspaper or newspapers of general publication in the
12 region affected. The commission shall approve a plan if it finds that the plan:

13 ~~(A)~~(1) is consistent with the goals established in section 4302 of this
14 title;

15 ~~(B)~~(2) is compatible with its regional plan;

16 ~~(C)~~(3) is compatible with approved plans of other municipalities in
17 the region; and

18 ~~(D)~~(4) contains all the elements included in subdivisions
19 4382(a)(1)-(10) of this title.

20 ~~(2) Prior to January 1, 1996, if a plan contains all the elements required~~
21 ~~by subdivisions 4382(a)(1)-(10) and is submitted to the regional planning~~

1 ~~commission for approval but is not approved, it shall be conditionally~~
2 ~~approved.~~

3 (c) A commission shall give approval or disapproval to a municipal plan or
4 amendment within two months of its receipt following a final hearing held
5 pursuant to section 4385 of this title. The fact that the plan is approved after
6 the deadline shall not invalidate the plan. If the commission disapproves the
7 plan or amendment, it shall state its reasons in writing and, if appropriate,
8 suggest acceptable modifications. Submissions for approval that follow a
9 disapproval shall receive approval or disapproval within 45 days.

10 (d) The commission shall file any adopted plan or amendment with the
11 department of economic, housing and community development within two
12 weeks of receipt from the municipality. Failure on the part of the commission
13 to file the plan shall not invalidate the plan.

14 (e) During the period of time when a municipal planning process is
15 confirmed:

16 (1) The municipality's plan will not be subject to review by the
17 commissioner of department of economic, housing and community
18 development under section 4351 of this title.

19 (2) State agency plans adopted under chapter 67 of Title 3 shall be
20 compatible with the municipality's approved plan. ~~This provision shall not~~
21 ~~apply to plans that are conditionally approved under this chapter.~~

1 ~~(3) The municipality may levy impact fees on new development within~~
2 its borders, according to the provisions of chapter 131 of this title.

3 (4) The municipality shall be eligible to receive additional funds from
4 the municipal and regional planning fund.

5 (f) Confirmation and approval decisions under this section shall be made
6 by majority vote of the commissioners representing municipalities, in
7 accordance with the bylaws of the regional planning commission.

8 * * *

9 § 4387. READOPTION OF PLANS

10 (a) All plans, including all prior amendments, shall expire every five years
11 unless they are readopted according to the procedures in ~~section~~ sections 4384
12 and 4385 of this title.

13 (b)(1) A municipality may readopt any plan that has expired or is about to
14 expire. Prior to any readoption, the planning commission shall ~~review and~~
15 ~~update the information on which the plan is based, and shall consider this~~
16 ~~information in evaluating the continuing applicability of the plan~~ prepare an
17 assessment report which shall be a part of the readopted municipal plan and
18 shall detail the continuing applicability of the municipal plan. The assessment
19 report shall include:

20 (A) the extent to which the plan has been implemented since
21 adoption or readoption;

1 ~~(B) an evaluation of the goals and policies and any amendments~~
2 ~~necessary due to changing conditions of the municipality;~~

3 ~~(C) an evaluation of the land use element and any amendments~~
4 ~~necessary to reflect changes in land use within the municipality or changes to~~
5 ~~municipal goals and policies;~~

6 ~~(D) priorities for implementation in the next five years;~~

7 ~~(E) updates to information and data necessary to support goals and~~
8 ~~policies.~~

9 (2) The readopted plan shall remain in effect for the ensuing five years
10 unless earlier readopted. A municipality may amend any section of a plan at
11 any time within five years prior to expiration in light of new developments and
12 changed conditions affecting the municipality.

13 (c) Upon the expiration of a plan, all bylaws and capital budgets and
14 programs then in effect shall remain in effect, but shall not be amended until a
15 plan is in effect.

16 (d) The fact that a plan has not been approved shall not make it
17 inapplicable, except as specifically provided by this chapter. Bylaws, capital
18 budgets and programs shall remain in effect, even if the plan has not been
19 approved.

20 * * *

1 *** Agriculture; Vermont Sustainable Jobs Fund ***

2 Sec. 36. 10 V.S.A. § 328 is amended to read:

3 § 328. CREATION OF THE SUSTAINABLE JOBS FUND PROGRAM

4 * * *

5 (c)(1) Notwithstanding the provisions of ~~section~~ subdivision 216(14) of this
6 title, the authority may contribute not more than \$1,000,000.00 to the capital of
7 the corporation formed under this section, and the board of directors of the
8 corporation formed under this section shall consist of ~~three members of the~~
9 ~~authority designated by the authority, the secretary of commerce and~~
10 ~~community development, and seven members who are not officials or~~
11 ~~employees of a governmental agency appointed by the governor, with the~~
12 ~~advice and consent of the senate, for terms of five years, except that the~~
13 ~~governor shall stagger initial appointments so that the terms of no more than~~
14 ~~two members expire during a calendar year;~~

15 (A) the secretary of commerce and community development, or his
16 or her designee;

17 (B) the secretary of agriculture, food and markets, or his or her
18 designee;

19 (C) the governor or his or her designee; and

20 (D) eight individuals who shall be selected by existing directors as
21 vacancies occur.

1 ~~(2) A member may be initially selected to serve a term of one, two, or~~
2 ~~three years. Member terms shall be staggered so that the terms of no more~~
3 ~~than three members expire during a calendar year.~~

4 ~~(3) Following the initial selection, a member shall serve a term of three~~
5 ~~years, which may be renewed, but no director shall serve for more than three~~
6 ~~terms.~~

7 * * *

8 Sec. 37. REPEAL

9 ~~Secs. G18 and G19 of No. 146 of the Acts of the 2009 Adj. Sess. (2010) are~~
10 ~~repealed.~~

11 Sec. 38. Sec. G28 of No. 146 of the Acts of the 2009 Adj. Sess. (2010) is
12 amended to read:

13 Sec. G28. EFFECTIVE DATES

14 Secs. G1 through G28 of this act (economic development) shall take effect
15 upon passage, ~~except that Secs. G18 and G19 (Vermont sustainable jobs~~

16 ~~(A) Secs. G18 and G19 (Vermont sustainable job fund program) shall~~
17 ~~take effect upon the cessation of state funding to the program from the general~~
18 ~~fund.~~

1 ~~Sec. 39. 6 V.S.A. § 20 is amended to read:~~

2 ~~§ 20. VERMONT LARGE ANIMAL VETERINARIAN EDUCATIONAL~~
3 ~~LOAN REPAYMENT FUND~~

4 ~~(a) There is created a special fund to be known as the Vermont large animal~~
5 ~~veterinarian educational loan repayment fund that shall be used for the purpose~~
6 ~~of ensuring a stable and adequate supply of large animal veterinarians~~
7 ~~throughout in regions of the state as determined by the secretary. The fund~~
8 ~~shall be established and held separate and apart from any other funds or monies~~
9 ~~of the state and shall be used and administered exclusively for the purpose of~~
10 ~~this section. The money in the fund shall be invested in the same manner as~~
11 ~~permitted for investment of funds belonging to the state or held in the treasury.~~

12 * * *

13 Sec. 40. 6 V.S.A. chapter 207 is amended to read:

14 ~~CHAPTER 207. STATE AGENCIES AND STATE FUNDED~~
15 ~~INSTITUTIONS TO PURCHASE VERMONT PRODUCTS PROMOTION~~
16 ~~AND MARKETING OF VERMONT FOODS AND PRODUCTS~~

17 * * *

18 ~~§ 4602. LOCALLY PRODUCED AND SPECIALTY FOOD PRODUCTS~~
19 ~~MARKETING~~

20 ~~(a) The secretary of agriculture, food and markets shall lead a statewide~~
21 ~~effort to establish an effective network for the cooperative purchasing, storage,~~

1 ~~and packaging of local and specialty food products. The agency of agriculture,~~
2 food and markets, in collaboration with the Vermont sustainable jobs fund
3 established under subchapter 10 of chapter 12 of Title 10, will aid local and
4 specialty food producers in Vermont in their efforts to supply their products to
5 customers in Vermont and to markets outside the state.

6 (b) The secretary may award grant funds to support the provision of
7 technical assistance to local and specialty food producers for effective
8 development and use of a cooperative network for purchasing, packaging,
9 storing, and marketing of their products. A portion of the farm-to-plate grant
10 funds administered by the secretary may be used for capital grants to support
11 the creation of storage infrastructure.

12 (c) The secretary shall conduct an annual evaluation of progress on the
13 implementation of a farm-to-plate strategic plan, including: holding an annual
14 meeting of local and specialty food products stakeholders; data collection; and
15 analysis.

16 (d) The secretary shall provide an annual report on or before January 15 to
17 the house and senate committees on agriculture.

18 § 4603. GOOD AGRICULTURAL PRACTICES GRANT PROGRAM

19 (a) A good agricultural practices grant program (GAP) is established in the
20 agency of agriculture, food and markets for the purpose of providing matching

1 ~~grant funds to agricultural producers required to obtain GAP certification in~~
2 ~~order to sell their products in larger retail markets.~~

3 ~~(b) The secretary may award matching grants for capital upgrades that will~~
4 ~~support Vermont agricultural producers in obtaining GAP certification. The~~
5 ~~amount of matching funds required by an applicant for a GAP certification~~
6 ~~grant shall be determined by the secretary.~~

7 Sec. 41. 6 V.S.A. § 3319 is added to read:

8 § 3319. SKILLED MEAT CUTTER APPRENTICESHIP PROGRAM

9 ~~(a) A skilled meat cutter apprenticeship program is established in the~~
10 ~~agency of agriculture, food and markets for the purpose of issuing a~~
11 ~~competitively awarded grant to an educational institution that will develop and~~
12 ~~administer either an approved apprenticeship or certificate program, or both~~
13 ~~programs together, for the occupation of skilled meat cutter.~~

14 ~~(b) The secretary shall make a single grant to the successful applicant for~~
15 ~~the creation and operation of an employment-based learning program with~~
16 ~~approved classroom and on-the-job training components.~~

17 Sec. 42. 6 V.S.A. § 4724 is added to chapter 211 to read:

18 § 4724. LOCAL FOODS COORDINATOR

19 ~~(a) The position of local food coordinator is established in the agency of~~
20 ~~agriculture, food and markets for the purpose of assisting Vermont producers~~

1 ~~in increasing their access to large institutional markets, including schools, state~~
2 ~~and municipal government, hospitals, and other large consumers.~~

3 ~~(b) The duties of the local foods coordinator shall include:~~

4 ~~(1) working with institutions, distributors, producers, and others to~~
5 ~~create matchmaking opportunities that result in a larger number of Vermont~~
6 ~~institutions interested in purchasing foods that are locally grown and produced~~
7 ~~in Vermont;~~

8 ~~(2) administer the farm-to-school and farm-to-institutions programs~~
9 ~~within the agency of agriculture, food and markets and coordinate activities~~
10 ~~with interested parties in the state.~~

11 ~~(3) work with the department of buildings and general services to~~
12 ~~encourage the enrollment of state employees in a local community supported~~
13 ~~agriculture (CSA) organization.~~

14 Sec. 43. FARM-TO-PLATE INVESTMENT PROGRAM

15 IMPLEMENTATION

16 ~~(a) The agency of agriculture, food and markets will work with the~~
17 ~~Vermont sustainable jobs fund program established under 10 V.S.A. § 328,~~
18 ~~stakeholders, and other interested parties to implement actions necessary to~~
19 ~~fulfill the goals of the farm-to-plate investment program as established under~~
20 ~~10 V.S.A. § 330. The actions will be guided by but not limited to the strategies~~
21 ~~outlined in the farm-to-plate strategic plan. The agency will develop and~~

1 maintain a report of the actions undertaken to achieve the goals of the
2 farm-to-plate investment program and the farm-to-plate strategic plan

3 (b) The secretary of agriculture, food and markets may contract with a third
4 party to assist in the efforts of the agency to implement actions and track those
5 activities over time and to develop a report on the progress of the farm-to-plate
6 investment program.

7 Secs. 44-50. [RESERVED]

8 Sec. 51. EFFECTIVE DATES

9 This act shall take effect on passage, except that Secs. 1 (Vermont business
10 partnership incentive); 6 (STEM grant program); and 7 (long-term unemployed
11 grant program) of this act shall take effect on passage and shall be repealed on
12 January 1, 2013.

** * * Incentive Grants; VEGI * * **

Sec. 1. VERMONT BUSINESS PARTNER INCENTIVE

(a) Definitions. In this section:

(1) "Eligible new employer" means a person:

(A) who has been in business for three or more years and is domiciled in a state other than Vermont;

(B) who has an existing supplier or vendor relationship with the recruiting qualified taxpayer;

(C) who establishes a new business location within Vermont and hires five or more new full-time employees; and

(D) who does not control and who is not controlled by the recruiting qualified taxpayer. For purposes of this subdivision (D), "control," including the term "controlled by," means:

(i) having the power, directly or indirectly, to elect or remove a majority of the members of the other governing body of a person through the ownership of voting shares or interests, by contract, or otherwise; or

(ii) being subject to a majority of the risk of loss from the person's activities or entitled to receive a majority of the person's residual returns.

(2) "Full-time employee" means an individual who works at least 35 hours per week at a Vermont business location and is paid a qualified wage.

(3) "Qualified taxpayer" means a person doing business in Vermont that is registered with the Vermont secretary of state, is current with all payments and filings required by the Vermont departments of taxes and of labor, and has a valid workers' compensation policy.

(4) "Qualified wage" means compensation that meets or exceeds the prevailing wage and benefit levels for the region and sector, as determined by the commissioner of labor.

(5) "Secretary" means the secretary of commerce and community development.

(b) Amount and availability of incentive.

(1) A qualified taxpayer and an eligible new employer shall each be eligible to receive an incentive equal to \$500.00 for each full-time employee of an eligible new employer hired on or before December 31, 2012. Incentive awards shall be made in the order in which they are claimed, as determined by the secretary in his or her discretion, not to exceed \$5,000.00 per recipient per year, and not to exceed a total program cap of \$50,000.00.

(2) A qualified taxpayer and an eligible new employer may claim an incentive by filing with the agency of commerce and community development, on a form created by the secretary for that purpose, one year after the date the eligible new employer established its qualifying Vermont business location, as certified by the secretary.

(3) The secretary may in his or her discretion reduce to three the minimum number of employees required of a relocating eligible new employer if the compensation paid to one or more of the new employees exceeds by at least 20 percent the qualified wage for the position.

Sec. 2. Sec. 3(c) of No. 184 of the Acts of the 2005 Adj. Sess. (2006) is amended to read:

(c) Beginning April 1, 2009, the economic incentive review board is authorized to grant payroll-based growth incentives pursuant to the Vermont employment growth incentive program established by Sec. 9 of this act. Unless extended by act of the General Assembly, as of ~~January~~ July 1, 2012, no new

Vermont employment growth incentive (VEGI) awards under 32 V.S.A. § 5930b may be made. Any VEGI awards granted prior to ~~January~~ July 1, 2012 may remain in effect until used.

Sec. 3. 32 V.S.A. § 5930a(c)(1) is amended to read:

(1) The enterprise should create new, full-time jobs to be filled by individuals who are Vermont residents. The new jobs shall not include jobs or employees transferred from an existing business in the state, or replacements for vacant or terminated positions in the applicant's business. The new jobs include those that exceed the applicant's average annual employment level in Vermont during the two preceding ~~five~~ years, unless the council determines that the enterprise will establish a significant new line of business and create new jobs in the new line of business that were not part of the enterprise prior to filing its application for incentives with the council. The enterprise should provide opportunities that increase income, reduce unemployment, and reduce facility vacancy rates. Preference should be given to projects that enhance economic activity in areas of the state with the highest levels of unemployment and the lowest levels of economic activity.

Sec. 4. 32 V.S.A. § 5930b(a)(24) is amended to read:

(24) "Wage threshold" means the minimum annualized Vermont gross wages and salaries paid, as determined by the council, but not less than 60 percent above the Vermont minimum wage at the time of application, in order for a new job to be a qualifying job under this section, unless the council determines that, based on a certification by the secretary of commerce and community development, the enterprise would create new jobs in a county of Vermont with an average unemployment rate that exceeds the average statewide unemployment rate for the most recently reported three-month period prior to the date of application.

Sec. 5. 32 V.S.A. § 5930b(e) is amended to read:

(e) Reporting. By May 1, 2008 and by May 1 each year thereafter, the council and the department of taxes shall file a joint report on the employment growth incentives authorized by this section with the chairs of the house committee on ways and means, the house committee on commerce and economic development, the senate committee on finance, the senate committee on economic development, housing and general affairs, the house and senate committees on appropriations, and the joint fiscal committee of the general assembly and provide notice of the report to the members of those committees. The joint report shall contain the total authorized award amount of incentives granted during the preceding year, amounts actually earned and paid from inception of the program to the date of the report, including the date and amount of the award, the expected calendar year or years in which the award

will be exercised, whether the award is currently available, the date the award will expire, ~~and~~ the amount and date of all incentives exercised, and any waiver of the wage threshold requirements granted pursuant to subdivision (a)(24) of this section. The joint report shall also include information on recipient performance in the year in which the incentives were applied, including the number of applications for the incentive, the number of approved applicants who complied with all their requirements for the incentive, the aggregate number of new jobs created, the aggregate payroll of those jobs and the identity of businesses whose applications were approved. The council and department shall use measures to protect proprietary financial information, such as reporting information in an aggregate form.

*Sec. 6. SCIENCE, TECHNOLOGY, ENGINEERING, AND
MATHEMATICS (STEM) INCENTIVE PROGRAM*

(a) In this section:

(1) "Accredited institution" means an educational institution that is accredited by ABET, Inc., a regional accrediting association, or by one of the specialized accrediting agencies recognized by the United States secretary of education.

(2) "Qualified new employee" means a person who:

(A) is hired by a qualified employer for a STEM position on or before December 31, 2012;

(B) graduated from an accredited institution with an associate's degree or higher not more than 18 months before the date of hire; and

(C) is paid annual compensation of not less than \$50,000.00, including the value of benefits.

(3) "Qualified employer" means a person doing business in Vermont that is registered with the Vermont secretary of state, is current with all payments and filings required by the Vermont departments of taxes and of labor, and has a valid workers' compensation policy.

(4) "Secretary" means the secretary of commerce and community development.

(5) "STEM position" means an employment position in the field of science, technology, engineering, or mathematics that requires, as determined by the secretary in his or her discretion, a high level of scientific or mathematical knowledge and skill. The term shall not include a position of academic instruction with a college or university.

(6) "Student loan" means debt incurred for the purpose of paying tuition and expenses at an accredited institution, excluding any debt or other financial assistance provided by a family member, relative, or other private person.

(b)(1) A qualified new employee who is hired by and remains in a STEM position with one or more qualified employers for a period of not less than five years shall be eligible for an incentive to pay a qualified student loan in the amount of \$1,500.00 per year for five years.

(2) A qualified new employee shall notify the secretary of his or her initial employment in a STEM position within 30 days of the date of hire and shall provide the secretary an annual notice of employment in a STEM position in each of the five years thereafter.

(3) Following receipt of an annual notice of employment in a STEM position and verification of employment with one or more qualified employers, the secretary shall deliver an incentive to the qualified new employee pursuant to subdivision (1) of this subsection.

4) The secretary shall award up to a maximum of \$75,000.00 per year for incentives in accordance with this section, which shall be made in the order in which they are claimed, as determined by the secretary in his or her discretion, and not to exceed a total program cap of \$375,000.00.

(c) The secretary shall design and make available on the agency of commerce and community development website:

(1) any forms necessary for a new employee to apply for an incentive available under this section; and

(2) a list of STEM positions for which a new employee may be eligible for an incentive under this section.

Sec. 7. LONG-TERM UNEMPLOYED HIRING INCENTIVE

(a) In this section:

(1) "New full-time employment" means employment by a qualified employer in a permanent position at least 35 hours each week in the year for which an incentive is claimed at a compensation of not less than the average wage for the corresponding economic sector in the county of the state as determined by the Vermont department of labor.

(2) "Qualified employer" means a person doing business in Vermont that is registered with the Vermont secretary of state, is current with all payments and filings required by the Vermont departments of taxes and of labor, and has a valid workers' compensation policy.

(3) "Qualified long-term unemployed Vermonter" means a legal resident of Vermont who collected unemployment insurance benefits in the state of Vermont for five months or more or whose collection of unemployment insurance benefits has expired within 30 days of the date of new employment with a qualified employer and who was hired through a referral from the Vermont department of labor.

(b) A qualified employer who hires a qualified long-term unemployed Vermonter on or before December 31, 2012 shall be eligible to receive a hiring incentive one year after the employee's date of hire in the amount of \$500.00 per employee. Incentive awards shall be made in the order in which they are claimed, as determined by the commissioner in his or her discretion, not to exceed \$5,000.00 per recipient per year, and not to exceed a total program cap of \$25,000.00.

(c) The commissioner of labor shall administer payment of incentives consistent with this section and shall develop:

(1) an application form for qualified employers; and

(2) a process for verifying compliance with the eligibility requirements of the program.

Sec. 8. [RESERVED]

Sec. 9. [RESERVED]

* * * Labor; Workforce Training * * *

Sec. 10. 10 V.S.A. § 531 is amended to read:

§ 531. ~~EMPLOYMENT TRAINING~~ VERMONT TRAINING PROGRAM

(a) The secretary of commerce and community development may issue performance-based grants to any employer, consortium of employers, or ~~contract with~~ providers of training, either individuals or organizations, as necessary, to conduct training under the following circumstances:

* * *

(b) The secretary of commerce and community development shall find in the grant ~~or contract~~ that:

(1) the employer's new or expanded facility will enhance employment opportunities for Vermont residents;

(2) the existing labor force within the state will probably be unable to provide the employer with sufficient numbers of employees with suitable training and experience; ~~and~~

(3) *the employer provides its employees with at least three of the following:*

(A) *health care benefits with 50 percent or more of the premium paid by the employer;*

(B) *dental assistance;*

(C) *paid vacation and holidays;*

(D) *child care;*

(E) *other extraordinary employee benefits; ~~and~~*

(F) *retirement benefits; and*

(4) the training is directly related to the employment responsibilities of the trainee.

(c) *The employer promises as a condition of the grant to:*

(1) *employ new persons at a wage which, at the completion of the training program, is two times the prevailing state or federal minimum wage, whichever is greater, reduced by the value of any existing health benefit package up to a limit of ~~30~~ 35 percent of the gross program wage, or for existing employees, to increase the wage to two times the prevailing state and federal minimum wage, whichever is greater, reduced by the value of any existing health benefit package up to a limit of ~~20~~ 25 percent of the gross program wage, upon completion of training; provided, however, that in areas defined by the secretary of commerce and community development in which the secretary finds that the rate of unemployment is ~~50 percent~~ greater than the average for the state, the wage rate under this subsection may be set by the secretary at a rate no less than one and one-half times the federal or state minimum wage, whichever is greater;*

* * *

(4) survey a reasonable sample of employees, on a form prepared by the secretary of commerce and community development for that purpose, upon completion of training in a manner described in the grant agreement; and

(5) submit a customer satisfaction report to the secretary of commerce and community development, on a form prepared by the secretary for that purpose, no more than 30 days from the last day of the training program.

(d) *In issuing a grant ~~or entering a contract~~ for the conduct of training under this section, the secretary of commerce and community development shall:*

(1) first consult with: the commissioner of education regarding vocational-technical education; the commissioner of labor regarding apprenticeship programs, on-the-job training programs, and recruiting through Vermont Job Service and available federal training funds; the commissioner for children and families regarding welfare to work priorities; and the University of Vermont and the Vermont state colleges;

(2) disburse grant funds only for training hours that have been successfully completed by employees; and

(3) use funds under this section only to supplement training efforts of employers and not to replace or supplant training efforts of employers.

* * *

(h) The secretary may designate the commissioner of economic, housing and community development to carry out his or her powers and duties under this chapter.

(i) ~~(1) Program Outcomes. The joint fiscal office shall prepare a training program performance report based on the following information submitted to it by the Vermont training program, which is to be collected from each participating employer and then aggregated:~~

~~(A) The number of full time employees six months prior to the training and six months after its completion.~~

~~(B) For all existing employees, the median hourly wages prior to and after the training.~~

~~(C) The number of "new hires," "upgrades," and "crossovers" deemed eligible for the waivers authorized by statute and the median wages paid to employees in each category upon completion.~~

~~(D) A list and description of the benefits required under subdivision (e)(3) of this section for all affected employees, including the number of employees that receive each type of benefit.~~

~~(E) The number of employers allowed to pay reduced wages in high unemployment areas of the state, along with the number of affected workers and their median wage.~~

~~(2) Upon request by the secretary of commerce and community development, participating employers shall provide the information necessary to conduct the performance report required by this subsection. The secretary, in turn, shall provide such information to the joint fiscal office in a manner agreed upon by the secretary and the joint fiscal office. The secretary and the joint fiscal office shall take measures to ensure that company specific data and information remain confidential and are not publicly disclosed except in~~

~~aggregate form. The secretary shall submit to the joint fiscal office any program outcomes, measurement standards, or other evaluative approaches in use by the training program.~~

~~(3) The joint fiscal office shall review the information collected pursuant to subdivisions (1) and (2) of this subsection and prepare a training program performance report with recommendations relative to the program. The joint fiscal office shall submit its first training program performance report on or before January 15, 2011, to the senate committee on economic development, housing and general affairs and the house committee on commerce and economic development. A second performance report shall be submitted on or before January 15, 2016. In addition to the information evaluated pursuant to subdivision (1) of this subsection, the second report shall include recommendations as to the following:~~

~~(A) whether the outcomes achieved by the program are sufficient to warrant its continued existence.~~

~~(B) whether training program outcomes can be improved by legislative or administrative changes.~~

~~(C) whether continued program performance reports are warranted and, if so, at what frequency and at what level of review.~~

~~(4) The joint fiscal office may contract with a consultant to conduct the performance reports required by this subsection. Costs incurred in preparing each report shall be reimbursed from the training program fund up to \$15,000.00.~~

Program Outcomes.

(1) On or before January 15, 2012, the agency of commerce and community development, in coordination with the workforce development council and the department of labor and in periodic consultation with the joint fiscal office, shall develop a common set of benchmarks and performance measures for the training program established in this section and the workforce education and training fund established in section 543 of this title.

(2) On or before January 15, 2014, the joint fiscal office shall prepare a performance report using the benchmarks and performance measures created pursuant to subdivision (1) of this subsection. The fiscal office shall submit its report to the senate committee on economic development, housing and general affairs and the house committee on commerce and economic development.

(3) The secretary shall use information gathered pursuant to this subsection and the survey results and customer satisfaction reports submitted pursuant to subdivision (c)(4) of this section to evaluate the program and make necessary changes that fall within the secretary's authority or, if beyond the

scope of the secretary's authority, to recommend necessary changes to the appropriate committees of the general assembly.

* * *

(k) Annually on or before January 15, the secretary shall submit a report to the house committee on commerce and economic development and the senate committee on economic development, housing and general affairs summarizing all active and completed contracts and grants, the types of training activities provided, the number of employees served and, the average wage by employer and addressing any waivers granted.

Sec. 11. 10 V.S.A. § 544 is added to read:

§ 544. VERMONT INTERNSHIP PROGRAM

(a)(1) The department of labor shall develop and implement a statewide Vermont Internship Program for Vermonters who are in high school or in college and for those who are recent graduates of 18 months or less.

(2) The program shall serve as a single portal for coordinating and providing funding to public and private entities for internship programs that match Vermont employers with students from public and private secondary schools, regional technical centers, the Community High School of Vermont, and colleges.

(3) Funding awarded through the Vermont Internship Program may be used to administer an internship program and to provide students with a stipend during the internship, based on need. Funds may be made only to programs or projects that do all the following:

(A) do not replace or supplant existing positions;

(B) create real workplace expectations and consequences;

(C) provide a process that measures progress toward mastery of skills, attitude, behavior, and sense of responsibility required for success in that workplace;

(D) are designed to motivate and educate secondary and postsecondary students through work-based learning opportunities with Vermont employers that are likely to lead to real employment;

(E) include mechanisms that promote employer involvement with secondary and postsecondary students and curriculum and the delivery of education at the participating schools;

(F) involve Vermont employers or interns who are Vermont residents; and

(G) offer students a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for graduates to continue to work and live in Vermont.

(4) For the purposes of this section, "internship" means a learning experience working with an employer where the intern may, but does not necessarily, receive academic credit, financial remuneration, a stipend, or any combination of these.

(b) The department of labor, in collaboration with the agency of agriculture, food and markets, the department of education and state-funded post-secondary educational institutions, the workforce development council, and other state agencies and departments that have workforce development and training monies, shall:

(1) identify new and existing funding sources that may be allocated to the Vermont internship program;

(2) collect data and establish program goals and quantifiable performance measures for internship programs funded through the Vermont internship program;

(3) develop or enhance a website that will connect students and graduates with internship opportunities with Vermont employers;

(4) engage appropriate agencies and departments of the state in the internship program to expand internship opportunities with state government and with entities awarded state contracts; and

(5) work with other public and private entities to develop and enhance internship programs, opportunities, and activities throughout the state.

Sec. 12. IMPLEMENTATION OF THE VERMONT INTERNSHIP

PROGRAM; WORKERS' COMPENSATION

(a)(1) Program costs in fiscal year 2012 for the Vermont Internship Program created in 10 V.S.A. § 544 shall be funded through an appropriation from the next generation initiative fund established in 16 V.S.A. § 2887.

(2) Funding in subsequent years shall be recommended by the department of labor, in collaboration with the agency of agriculture, food and markets, the department of education and state-funded post-secondary educational institutions, the workforce development council, and other state agencies and departments that have workforce development and training monies.

(b)(1) The state shall make available workers' compensation coverage to an intern participating in the Vermont Internship Program if coverage is

required by federal or state law and the participant would not otherwise be covered by an employer's workers' compensation policy.

(2) The state shall be considered a single entity solely for purposes of purchasing a single workers' compensation insurance policy providing coverage to intern participants.

(3) This subsection is intended strictly to permit the state to provide workers' compensation coverage, and the state shall not be considered the employer of an intern participant for any other purpose.

Sec. 13. 10 V.S.A. § 543(f) is amended to read:

(f) Awards. Based on guidelines set by the council, the commissioners of labor and of education shall jointly make awards to the following:

* * *

~~(2) Vermont Internship Program. Public and private entities for internship programs that match Vermont employers with students from public and private secondary schools, regional technical centers, the Community High School of Vermont, and colleges. For the purposes of this section, "internship" means a learning experience working with an employer where the intern may, but does not necessarily receive academic credit, financial remuneration, a stipend, or any combination of these. Awards under this subdivision may be used to fund the cost of administering an internship program and to provide students with a stipend during the internship, based on need. Awards may be made only to programs or projects that do all the following:~~

~~(A) do not replace or supplant existing positions;~~

~~(B) create real workplace expectations and consequences;~~

~~(C) provide a process that measures progress toward mastery of skills, attitude, behavior, and sense of responsibility required for success in that workplace;~~

~~(D) are designed to motivate and educate secondary and postsecondary students through work based learning opportunities with Vermont employers that are likely to lead to real employment;~~

~~(E) include mechanisms that promote employer involvement with secondary and postsecondary students and curriculum and the delivery of education at the participating schools;~~

~~(F) involve Vermont employers or interns who are Vermont residents;~~
and

~~(G) offer students a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for graduates to continue to work and live in Vermont. Funding for eligible internship programs and activities under the Vermont Internship Program established in section 544 of this section.~~

Sec. 14. [RESERVED]

* * * Entrepreneurship; Creative Economy * * *

Sec. 15. 3 V.S.A. § 2471c is added read:

§ 2471c. OFFICE OF CREATIVE ECONOMY

(a) The office of creative economy is created within the agency of commerce and community development in order to build upon the years of work and energy around creative economy initiatives in Vermont. The office shall provide business, networking, and technical support to enterprises involved with the creative economy, primarily focused on but not limited to such areas as film, new media, software development, and innovative commercial goods. The office shall work in collaboration with Vermont's private and public sectors to raise the profile and economic productivity of these activities.

(b) The office shall be administered by a director appointed by the secretary pursuant to section 2454 of this title and shall be supervised by the commissioner of the department of economic, housing and community development.

Sec. 16. REPEAL

10 V.S.A. chapter 26 (Vermont film corporation; Vermont film production incentive program) is repealed.

Sec. 17. RESERVED

Sec. 18. 11A V.S.A. § 8.20 is amended to read:

§ 8.20. MEETINGS

(a) The board of directors may hold regular or special meetings, as defined in subdivision 1.40(26) of this title, in or outside this state.

(b) The board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication, including an electronic, telecommunications, and video- or audio-conferencing conference telephone call, by which all directors participating may simultaneously or sequentially communicate with each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Sec. 19. 11B V.S.A. § 8.20 is amended to read:

§ 8.20. REGULAR AND SPECIAL MEETINGS

(a) If the time and place of a directors' meeting is fixed by the bylaws or the board, the meeting is a regular meeting. All other meetings are special meetings.

(b) A board of directors may hold regular or special meetings in or out of this state.

(c) Unless the articles of incorporation or bylaws provide otherwise, a board may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication, including an electronic, telecommunications, and video- or audio-conferencing conference telephone call, by which all directors participating may simultaneously or sequentially communicate with each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

** * * Finance; Access to Capital * * **

Sec. 20. 8 V.S.A. § 12603 is amended to read:

§ 12603. MERCHANT BANKS

** * **

(f) The minimum amount of initial capital for a merchant bank is ~~\$10,000,000.00~~ \$1,000,000.00, all of which ~~at least \$5,000,000.00~~ shall be common stock or equity interest in the merchant bank. ~~The balance may be composed of qualifying subordinated or similar debt~~ A merchant bank may use qualified subordinated debt or senior debt as part of its capital structure above \$1,000,000.00, provided that the amount of subordinated debt or senior debt used as capital above \$1,000,000.00 is not greater than the amount of common stock or equity interest used as capital above \$1,000,000.00. The commissioner, in his or her discretion, may increase the minimum capital required for a merchant bank.

** * **

(m) Any acquisition or change in control of ~~five~~ ten percent or more of the common stock or equity interests in a merchant bank shall be subject to the prior approval by the commissioner. The acquiring person shall file an application with the commissioner for approval. The application shall be subject to the provisions of subchapter 7 of chapter 201 of this title.

(n) The commissioner ~~may~~ shall examine the merchant bank and any person who controls it to the extent necessary to determine the soundness and

viability of the merchant bank in the same manner as required by subchapter 5 of chapter 201 of this title.

(o) A merchant bank shall include on all its advertising a prominent disclosure that deposits are not accepted by a merchant bank.

(p) For purposes of this section, "control" means that a person:

(1) directly, indirectly, or acting through another person owns, controls, or has power to vote ten percent or more of any class of equity interest of the merchant bank;

(2) controls in any manner the election of a majority of the directors of the merchant bank; or

(3) directly or indirectly exercises a controlling influence over the management or policies of the merchant bank.

Sec. 21. 10 V.S.A. chapter 3 is added to read:

CHAPTER 3. EB-5 INVESTMENT

§ 21. EB-5 ENTERPRISE FUND

(a) An EB-5 enterprise fund is created for the operation of the state of Vermont EB-5 visa regional development center. The fund shall consist of revenues derived from fees charged by the agency of commerce and community development pursuant to subsection (c) of this section, any interest earned by the fund, and all sums which are from time to time appropriated for the support of the regional development center and its operations.

(b) The receipt and expenditure of moneys from the enterprise fund shall be under the supervision of the secretary of commerce and community development. The secretary shall maintain accurate and complete records of all receipts and expenditures by and from the fund, and shall make an annual report on the condition of the fund to the secretary of administration, the house committees on commerce and on ways and means, and the senate committees on finance and on economic development, housing and general affairs.

(c) Notwithstanding 32 V.S.A. chapter 7, subchapter 6, the secretary of commerce and community development is authorized to impose an administrative fee, not to exceed \$2,500.00, for services provided by the agency to investors in administering the state of Vermont EB-5 visa regional development center.

Sec. 22. Sec. 22. EB-5 ENTERPRISE FUND FEE

On or before January 15, 2012, the secretary of commerce and community development shall submit a memorandum to the house committee on ways and means and the senate committee on finance concerning the performance of the

EB-5 enterprise fund, including the number of projects and investors served, the amount of the fees imposed and collected, and recommendations concerning the EB-5 enterprise fund and the appropriate fee structure for the program.

Sec. 23. [RESERVED]

* * * Housing and Development * * *

Sec. 24. 24 V.S.A. § 2793d is amended to read:

§ 2793d. DESIGNATION OF VERMONT NEIGHBORHOODS

(a) A The Vermont downtown development board may designate a Vermont neighborhood in a municipality that has a duly adopted and approved plan and a planning process that is confirmed in accordance with section 4350 of this title, has adopted zoning bylaws and subdivision regulations in accordance with section 4442 of this title, and has a designated downtown district, a designated village center, a designated new town center, or a designated growth center served by municipal sewer infrastructure or a community or alternative wastewater system approved by the agency of natural resources, is authorized to apply for designation of a Vermont neighborhood. An application for designation may be made by a municipality or by a landowner who meets the criteria under subsection (f) of this section. A municipal decision to apply for designation shall be made by the municipal legislative body after at least one duly warned public hearing. An application by a municipality or a landowner shall be made after at least one duly warned public hearing by the legislative body. If the application is submitted by a landowner, the public hearing shall be a joint public hearing of the municipal legislative body and the appropriate municipal panel, and shall be held concurrently with the local permitting process. Designation is possible in two different situations:

(1) Per se approval. If a municipality or landowner submits an application in compliance with this subsection for a designated Vermont neighborhood that would have boundaries that are entirely within the boundaries of a designated downtown district, designated village center, designated new town center, or designated growth center, the downtown board shall issue the designation.

(2) Designation by downtown board in towns without growth centers. If an application is submitted in compliance with this subsection by a municipality or a landowner in a municipality that does not have a designated growth center and proposes to create a Vermont neighborhood that has boundaries that include land that is not within its designated downtown,

village center, or new town center, the downtown board shall consider the application. This application may be for approval of one or more Vermont neighborhoods that are outside but contiguous to a designated downtown district, village center, or new town center. The application for designation shall include a map of the boundaries of the proposed Vermont neighborhood, including the property outside but contiguous to a designated downtown district, village center, or new town center and verification that the municipality or landowner has notified the regional planning commission and the regional development corporation of its application for this designation.

* * *

(f) If a municipality has not adopted either the minimum density requirements or design standards set out in subdivision (c)(5) of this section in its zoning bylaw, a landowner within a proposed Vermont neighborhood may apply to the downtown board for designation of a Vermont neighborhood that meets the standards set out in subdivision (c)(5) of this section by submitting:

(1) a copy of the plans and necessary municipal permits obtained for a project; and

(2) a letter of support for the project issued to the landowner from the municipality within 30 days of the effective date of a final municipal permit.

Sec. 25. 27A V.S.A. § 1-209 is amended to read:

§ 1-209. SMALL CONDOMINIUMS; EXCEPTION

~~A condominium that will contain no more than 12 units and is not subject to any development rights, unless the declaration provides that the entire act is applicable, shall not be subject to subsection Subsection 2-101(b), subdivisions 2-109(b)(2) and (11), subsection 2-109(g), section 2-115, and Article 4 of this title shall not apply to a condominium if the declaration:~~

(1) creates fewer than ten units; and

(2) restricts ownership of a unit to entities that are controlled by, affiliated with, or managed by the declarant.

Sec. 26. REPEAL

Sec. 12 of No. 155 of the Acts of the 2009 Adj. Sess. (2010) (repeal of 27A V.S.A. § 1-209, effective January 1, 2012) is repealed.

Sec. 27. [RESERVED]

Sec. 28. [RESERVED]

** * * Economic Development Planning * * **

Sec. 29. 3 V.S.A. § 2293 is amended to read:

§ 2293. DEVELOPMENT CABINET

(a) *Legislative purpose.* The general assembly deems it prudent to establish a permanent and formal mechanism to assure collaboration and consultation among state agencies and departments, in order to support and encourage Vermont's economic development, while at the same time conserving and promoting Vermont's traditional settlement patterns, its working and rural landscape, its strong communities, and its healthy environment, all in a manner set forth in this section.

(b) *Development cabinet.* A development cabinet is created, to consist of the secretaries of the agencies of administration, of natural resources, of commerce and community affairs, ~~and~~ of transportation, and ~~the secretary of the agency~~ of agriculture, food and markets. The governor or the governor's designee shall chair the development cabinet. The development cabinet shall advise the governor on how best to implement the purposes of this section, and shall recommend changes as appropriate to improve implementation of those purposes. The development cabinet may establish interagency work groups to support its mission, drawing membership from any agency or department of state government.

(c) *All state agencies that have programs or take actions affecting land use, including those identified under 3 V.S.A. chapter 67, shall, through or in conjunction with the members of the development cabinet:*

(1) *Support conservation of working lands and open spaces.*

(2) *Strengthen agricultural and forest product economies, and encourage the diversification of these industries.*

(3) *Develop and implement plans to educate the public by encouraging discussion at the local level about the impacts of poorly designed growth, and support local efforts to enhance and encourage development and economic growth in the state's existing towns and villages.*

(4) *Administer tax credits, loans, and grants for water, sewer, housing, schools, transportation, and other community or industrial infrastructure, in a manner consistent with the purposes of this section.*

(5) *To the extent possible, endeavor to make the expenditure of state appropriations consistent with the purposes of this section.*

(6) *Encourage development in, and work to revitalize, land and buildings in existing village and urban centers, including "brownfields," housing stock, and vacant or underutilized development zones. Each agency is to set meaningful and quantifiable benchmarks.*

(7) *Encourage communities to approve settlement patterns based on maintaining the state's compact villages, open spaces, working landscapes, and rural countryside.*

(8) *Encourage relatively intensive residential development close to resources such as schools, shops, and community centers and make infrastructure investments to support this pattern.*

(9) *Support recreational opportunities that build on Vermont's outstanding natural resources, and encourage public access for activities such as boating, hiking, fishing, skiing, hunting, and snowmobiling. Support and work collaboratively to make possible sound development and well-planned growth in existing recreational infrastructure.*

(10) *Provide means and opportunity for downtown housing for mixed social and income groups in each community.*

~~(11) *Report annually to the governor and the legislature, through the chair of the development cabinet and the secretary of administration, on the effectiveness and impact of this section on the state's economic growth and land use development and the activities of the council of regional commissions.*~~

(12) *Encourage timely and efficient processing of permit applications affecting land use, including 10 V.S.A. chapter 151 and the subdivision regulations adopted under 18 V.S.A. § 1218, in order to encourage the development of affordable housing and small business expansion, while protecting Vermont's natural resources.*

(13) *Participate in creating a long-term economic development plan, including making available the members of any agency or department of state government as necessary and appropriate to support the mission of an interagency work group established under subsection (b) of this section.*

(d)(1) *Pursuant to the recommendations of the oversight panel on economic development created in Section G6 of No. 146 of the Acts of the 2009 Adj. Sess. (2010), the development cabinet shall create an interagency work group as provided in subsection (b) of this section with the secretary of commerce and community development serving as its chair.*

(2) *The mission of the work group shall be to develop a long-term economic development plan for the state, which shall identify goals and recommend actions to be taken over ten years, and which shall be consistent with the four goals of economic development identified in 10 V.S.A. § 3 and the outcomes for economic development identified in Sec. 8 of No. 68 of the Acts of the 2009 Adj. Sess. (2010).*

(e)(1) *On or before January 15, 2014, and every two years thereafter, the development cabinet or its workgroup shall complete a long-term economic*

development plan as required under subsection (d) of this section and recommend it to the governor.

(2) Commencing with the plan due on or before January 15, 2016, the development cabinet or its workgroup may elect only to prepare and recommend to the governor an update of the long-term economic development plan.

(3) Administrative support for the economic development planning efforts of the development cabinet or its workgroup shall be provided by the agency of commerce and community development.

~~(d)~~(f) *Limitations.* This cabinet is strictly an information gathering and coordinating cabinet and confers no additional enforcement powers.

Sec. 30. 24 V.S.A. chapter 117 is amended to read:

CHAPTER 117. MUNICIPAL AND REGIONAL PLANNING
AND DEVELOPMENT

* * *

§ 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

A regional planning commission created under this chapter shall:

* * *

(9) At least once every ~~eight~~ five years, review the compatibility of municipal plans, and if the regional planning commission finds that growth in a municipality without an approved plan is adversely affecting an adjoining municipality, it shall notify the legislative body of both municipalities of that fact and shall urge that the municipal planning be undertaken to mitigate those adverse effects. If, within six months of receipt of this notice, the municipality creating the adverse effects does not have an approved municipal plan, the regional commission shall adopt appropriate amendments to the regional plan as it may deem appropriate to mitigate those adverse effects.

* * *

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include but need not be limited to the following:

* * *

(10) An economic development element that describes present economic conditions and the location, type, and scale of desired economic development, and identifies policies, projects, and programs necessary to foster economic growth.

* * *

§ 4348b. *READOPTION OF REGIONAL PLANS*

(a) *Unless they are readopted, all regional plans, including all prior amendments, shall expire every ~~eight~~ five years.*

(b)(1) *A regional plan that has expired or is about to expire may be readopted as provided under section 4348 of this title for the adoption of a regional plan or amendment. Prior to any readoption, the regional planning commission shall ~~review and update the information on which the plan is based, and shall consider this information in evaluating the continuing applicability of the regional plan~~ prepare an assessment report which shall be a part of the readopted regional plan and shall detail the continuing applicability of the regional plan. The assessment report shall include:*

(A) the extent to which the plan has been implemented since adoption or readoption;

(B) an evaluation of the goals and policies and any amendments necessary due to changing conditions of the region;

(C) an evaluation of the land use element and any amendments necessary to reflect changes in land use within the region or changes to regional goals and policies;

(D) priorities for implementation in the next five years; and

(E) updates to information and data necessary to support goals and policies.

(2) *The readopted plan shall remain in effect for the ensuing ~~eight~~ five years unless earlier readopted.*

(c) *Upon the expiration of a regional plan under this section, the regional plan shall be of no further effect in any other proceeding.*

* * *

§ 4350. *REVIEW AND CONSULTATION REGARDING MUNICIPAL PLANNING EFFORT*

(a) *A As provided in subdivisions 4345a(8) and (9) of this chapter, a regional planning commission shall consult with its municipalities with respect to the municipalities' planning efforts, ascertaining the municipalities' needs as individual municipalities and as neighbors in a region, assessing the compatibility of municipal plans, and identifying the assistance that ought to be provided by the regional planning commission. As a part of this consultation, the regional planning commission, after public notice, shall*

review the planning process of its member municipalities at least twice during a eight-year period, or more frequently on request of the municipality, and shall so confirm when a municipality:

(1) is engaged in a continuing planning process that, within a reasonable time, will result in a plan which is consistent with the goals contained in section 4302 of this title; and

(2) is maintaining its efforts to provide local funds for municipal and regional planning purposes.

(b)(H) As part of the consultation process, the commission shall consider whether a municipality has adopted a plan. In order to obtain or retain confirmation of the planning process ~~after January 1, 1996~~, a municipality must have an approved plan. A regional planning commission shall review and approve plans and plan amendments of its member municipalities, when approval is requested and warranted. Each review shall include a public hearing which is noticed at least 15 days in advance by posting in the office of the municipal clerk and at least one public place within the municipality and by publication in a newspaper or newspapers of general publication in the region affected. The commission shall approve a plan if it finds that the plan:

~~(A)~~(1) is consistent with the goals established in section 4302 of this title;

~~(B)~~(2) is compatible with its regional plan;

~~(C)~~(3) is compatible with approved plans of other municipalities in the region; and

~~(D)~~(4) contains all the elements included in subdivisions 4382(a)(1)-(10) of this title.

~~(2) Prior to January 1, 1996, if a plan contains all the elements required by subdivisions 4382(a)(1)-(10) and is submitted to the regional planning commission for approval but is not approved, it shall be conditionally approved.~~

(c) A commission shall give approval or disapproval to a municipal plan or amendment within two months of its receipt following a final hearing held pursuant to section 4385 of this title. The fact that the plan is approved after the deadline shall not invalidate the plan. If the commission disapproves the plan or amendment, it shall state its reasons in writing and, if appropriate, suggest acceptable modifications. Submissions for approval that follow a disapproval shall receive approval or disapproval within 45 days.

(d) The commission shall file any adopted plan or amendment with the department of economic, housing and community development within two

weeks of receipt from the municipality. Failure on the part of the commission to file the plan shall not invalidate the plan.

(e) During the period of time when a municipal planning process is confirmed:

(1) The municipality's plan will not be subject to review by the commissioner of department of economic, housing and community development under section 4351 of this title.

(2) State agency plans adopted under chapter 67 of Title 3 shall be compatible with the municipality's approved plan. ~~This provision shall not apply to plans that are conditionally approved under this chapter.~~

(3) The municipality may levy impact fees on new development within its borders, according to the provisions of chapter 131 of this title.

(4) The municipality shall be eligible to receive additional funds from the municipal and regional planning fund.

(f) Confirmation and approval decisions under this section shall be made by majority vote of the commissioners representing municipalities, in accordance with the bylaws of the regional planning commission.

* * *

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality may be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

* * *

(1) An economic development element that describes present economic conditions and the location, type, and scale of desired economic development, and identifies policies, projects, and programs necessary to foster economic growth.

* * *

§ 4387. READOPTION OF PLANS

(a) All plans, including all prior amendments, shall expire every five years unless they are readopted according to the procedures in ~~section~~ sections 4384 and 4385 of this title.

(b)(1) A municipality may readopt any plan that has expired or is about to expire. Prior to any readoption, the planning commission shall ~~review and update the information on which the plan is based, and shall consider this~~

information in evaluating the continuing applicability of the plan prepare an assessment report which shall be a part of the readopted municipal plan and shall detail the continuing applicability of the municipal plan. The assessment report shall include:

(A) the extent to which the plan has been implemented since adoption or readoption;

(B) an evaluation of the goals and policies and any amendments necessary due to changing conditions of the municipality;

(C) an evaluation of the land use element and any amendments necessary to reflect changes in land use within the municipality or changes to municipal goals and policies;

(D) priorities for implementation in the next five years; and

(E) updates to information and data necessary to support goals and policies.

(2) The readopted plan shall remain in effect for the ensuing five years unless earlier readopted. A municipality may amend any section of a plan at any time within five years prior to expiration in light of new developments and changed conditions affecting the municipality.

(c) Upon the expiration of a plan, all bylaws ~~and~~, capital budgets, and programs then in effect shall remain in effect, but shall not be amended until a plan is in effect.

(d) The fact that a plan has not been approved shall not make it inapplicable, except as specifically provided by this chapter. Bylaws, capital budgets, and programs shall remain in effect, even if the plan has not been approved.

* * *

Sec. 31. REGIONAL DEVELOPMENT CABINETS

(a) The regional planning commission and any regional development corporation providing services within the regional planning commission region shall convene regular meetings of a "regional development cabinet," which shall include representation from the leadership of state and local providers of services within the region in the areas of planning, economic development, workforce training, utilities and physical infrastructure, transportation, and any other service areas as appropriate.

(b) Each regional development cabinet, in coordination with the agency of commerce and community development and municipal leaders as necessary, shall develop regional priorities to coordinate streamlined and efficient

delivery of services, and to enable local, regional, and state agencies to better focus resources.

Secs. 32-34. [RESERVED]

* * * Agriculture; Vermont Sustainable Jobs Fund * * *

Sec. 35. 10 V.S.A. § 328 is amended to read:

§ 328. CREATION OF THE SUSTAINABLE JOBS FUND PROGRAM

* * *

(c)(1) Notwithstanding the provisions of subdivision 216(14) of this title, the authority may contribute not more than \$1,000,000.00 to the capital of the corporation formed under this section, and the board of directors of the corporation formed under this section shall consist of ~~three members of the authority designated by the authority, the secretary of commerce and community development, and seven members who are not officials or employees of a governmental agency appointed by the governor, with the advice and consent of the senate, for terms of five years, except that the governor shall stagger initial appointments so that the terms of no more than two members expire during a calendar year:~~

(A) the secretary of commerce and community development or his or her designee;

(B) the secretary of agriculture, food and markets or his or her designee;

(C) a director appointed by the governor; and

(D) eight independent directors, no more than two of whom shall be state government employees or officials, and who shall be selected as vacancies occur by vote of the existing directors from a list of names offered by a nominating committee of the board created for that purpose.

(2)(A) Each independent director shall serve a term of three years or until his or her earlier resignation.

(B) A director may be reappointed, but no independent director and no director appointed by the governor shall serve for more than three terms.

(C) The director appointed by the governor shall serve at the pleasure of the governor and may be removed at any time with or without cause.

(3) A director of the board who is or is appointed by a state government official or employee shall not be eligible to hold the position of chair, vice chair, secretary, or treasurer of the board.

* * *

*Sec. 36. VERMONT SUSTAINABLE JOBS FUND BOARD OF
DIRECTORS; TRANSITION*

Notwithstanding any other provision of law to the contrary, and notwithstanding any provision of the articles of incorporation or the bylaws of the corporation:

(1) The chair, vice chair, and secretary of the Vermont sustainable jobs fund board of directors as of January 1, 2011 shall constitute an initial nominating committee charged with appointing eight independent directors who shall take office on July 1, 2011.

(2) The initial nominating committee shall appoint each independent director to serve a term of one, two, or three years. Independent director terms shall be staggered so that the terms of no more than three members expire during a calendar year.

(3) The terms of the directors in office on the date of passage of this act shall expire on July 1, 2011.

Sec. 37. REPEAL

Secs. G18 and G19 of No. 146 of the Acts of the 2009 Adj. Sess. (2010) are repealed.

Sec. 38. Sec. G28 of No. 146 of the Acts of the 2009 Adj. Sess. (2010) is amended to read:

Sec. G28. EFFECTIVE DATES

Secs. G1 through G28 of this act (economic development) shall take effect upon passage, ~~except that Secs. G18 and G19 (Vermont sustainable jobs~~

~~(A) Secs. G18 and G19 (Vermont sustainable job fund program) shall take effect upon the cessation of state funding to the program from the general fund.~~

Sec. 39. 6 V.S.A. § 20 is amended to read:

*§ 20. VERMONT LARGE ANIMAL VETERINARIAN EDUCATIONAL
LOAN REPAYMENT FUND*

(a) There is created a special fund to be known as the Vermont large animal veterinarian educational loan repayment fund that shall be used for the purpose of ensuring a stable and adequate supply of large animal veterinarians ~~throughout~~ in regions of the state as determined by the secretary. The fund shall be established and held separate and apart from any other funds or monies of the state and shall be used and administered exclusively for

the purpose of this section. The money in the fund shall be invested in the same manner as permitted for investment of funds belonging to the state or held in the treasury.

* * *

Sec. 40. 6 V.S.A. chapter 207 is amended to read:

*CHAPTER 207. STATE AGENCIES AND STATE FUNDED INSTITUTIONS
TO PURCHASE PROMOTION AND MARKETING OF VERMONT FOODS
AND PRODUCTS*

* * *

§ 4602. GOOD AGRICULTURAL PRACTICES GRANT PROGRAM

(a) A good agricultural practices grant program (GAP) is established in the agency of agriculture, food and markets for the purpose of providing matching grant funds to agricultural producers whose markets require them to obtain or maintain GAP certification.

(b) The secretary may award matching grants for capital upgrades that will support Vermont agricultural producers in obtaining GAP certification. The amount of matching funds required by an applicant for a GAP certification grant shall be determined by the secretary.

(c) An applicant may receive no more than 10 percent of the total funds appropriated for the program in a fiscal year.

Sec. 41. 6 V.S.A. § 3319 is added to read:

§ 3319. SKILLED MEAT CUTTER APPRENTICESHIP PROGRAM

(a) A skilled meat cutter apprenticeship program is established in the agency of agriculture, food and markets for the purpose of issuing a competitively awarded grant to develop, in consultation with slaughterhouse operators, meat processors, chefs, livestock farmers, and others, an apprenticeship or certificate program or both for the occupation of skilled meat cutter.

(b) The secretary shall make a single grant to the successful applicant for the creation and administration of an employment-based learning program with classroom and on-the-job training components.

Sec. 42. 6 V.S.A. § 4724 is added to chapter 211 to read:

§ 4724. LOCAL FOODS COORDINATOR

(a) The position of local food coordinator is established in the agency of agriculture, food and markets for the purpose of assisting Vermont producers

to increase their access to commercial markets and institutions, including schools, state and municipal governments, and hospitals.

(b) The duties of the local foods coordinator shall include:

(1) working with institutions, distributors, producers, commercial markets, and others to create matchmaking opportunities that increase the number of Vermont institutions that purchase foods grown or produced in Vermont;

(2) coordinating funding and providing support to the farm-to-school and farm-to-institutions programs within the agency of agriculture, food and markets, and coordinating with interested parties to create matchmaking opportunities that increase participation in those programs;

(3) working with the department of buildings and general services to encourage the enrollment of state employees in a local community supported agriculture (CSA) organization; and

(4) providing technical support to local communities with their food security efforts.

(c) For purposes of this section, and notwithstanding 29 V.S.A. § 5, the commissioner of buildings and general services and the agency of agriculture, food and markets may authorize the advertisement or solicitation on state property of one or more local CSA organizations, subject to reasonable restrictions collaboratively adopted by the commissioner and the secretary on the time, manner, and location of such advertisements or solicitations, in order to encourage and enable state employees to enroll in a CSA.

Sec. 43. FARM-TO-PLATE INVESTMENT PROGRAM

IMPLEMENTATION

(a)(1) The agency of agriculture, food and markets shall coordinate with the Vermont sustainable jobs fund program established under 10 V.S.A. § 328, stakeholders, and other interested parties, including the agriculture development board, to implement actions necessary to fulfill the goals of the farm-to-plate investment program as established under 10 V.S.A. § 330.

(2) The actions shall be guided by, but not limited to, the strategies outlined in the farm-to-plate strategic plan.

(3) The agency shall develop and maintain a report of the actions undertaken to achieve the goals of the farm-to-plate investment program and the farm-to-plate strategic plan.

(b) The secretary of agriculture, food and markets may contract with a third party to assist the agency with implementation of the program, to track

those activities over time, and to develop a report on the progress of the program.

Secs. 44-48. [RESERVED]

Sec. 49. APPROPRIATIONS AND ALLOCATIONS

(a) Appropriations. In fiscal year 2012:

(1) The amount of \$25,000.00 is appropriated from the general fund to the department of labor for the long-term unemployed hiring incentive in Sec. 7 of this act.

(2) The amount of \$500,000.00 is appropriated from the general fund to the agency of agriculture, food and markets as follows:

(A) \$100,000.00 for the good agricultural practices grant program in Sec. 40 of this act.

(B) \$25,000.00 for the skilled meat cutter apprenticeship program in Sec. 41 of this act.

(C) \$125,000.00 for one full-time position of local foods coordinator and the activities associated with his or her position under 6 V.S.A. § 4724 in Sec. 42 of this act.

(D) \$100,000.00 for implementation of the farm-to-plate investment program in Sec. 43 of this act.

(E) \$75,000.00 for competitive matching grants for the farm-to-school program established in 6 V.S.A. § 4721.

(F) \$50,000.00 for competitive matching grants to increase slaughterhouse and meat processing facility capacity.

(G) \$25,000.00 for travel funds for agency personnel to participate in the legislative process for the federal farm bill.

(b) Allocations. In fiscal year 2012:

(1) From the next generation initiative fund:

(A) An amount up to \$350,000.00 shall be allocated to the Vermont internship program in Secs. 11–13 of this act.

(B) The amount of \$30,000.00 shall be allocated to the Vermont large animal veterinarian educational loan repayment fund in Sec. 39 of this act.

(C) The amount of \$57,500.00 shall be allocated to the agency of commerce and community development for the science, technology, engineering, and mathematics (STEM) incentive program in Sec. 6 of this act.

(2) Of the funds appropriated to the agency of commerce and community development the amount of \$100,000.00 shall be allocated for the office of creative economy in Secs. 15–16 of this act.

Sec. 50. REPORTING

On or before January 15, 2012, the agency of commerce and community development shall coordinate with each agency, department, or outside entity charged with oversight or implementation of a program or policy change in this act and submit in its annual report to the house committees on commerce and economic development and on agriculture, and to the senate committees on economic development, housing and general affairs and on agriculture:

(1) a performance analysis of each program or policy change following passage of this act;

(2) an analysis of the number of private sector jobs created as a result of each program or policy in this act that has a direct financial impact to the state;

(3) an analysis of each program or policy in this act and the proportion of opportunities distributed to each gender; and

(4) recommendations for future actions in light of performance relative to the intended outcomes for each program or policy change.

Sec. 51. EFFECTIVE DATE

This act shall take effect on passage, except that:

(1) Sec. 1 (Vermont business partner incentive) shall take effect July 1, 2011.

(2) Notwithstanding any other provision of law, no program funds shall be expended or allocated prior to July 1, 2011.