

Section-by-Section Summary of H.868 As Passed House with Senate Economic Development and Finance Proposals

An act relating to miscellaneous economic development provisions

Secs. A.1–A.7: Vermont Economic Development Authority

Sec. B.1: Cooperatives; Electronic Voting

Secs. C.1–C.2: Regional Planning and Regional Economic Development

Sec. D.1: Vermont Training Program

Secs. E.1–E.4: Corporations, LLCs, and Business Organizations

Secs. F.1–F.9: Vermont State Treasurer

Sec. G.1: Medicaid for Working People with Disabilities

Secs. H.1–H.11: Vermont Employment Growth Incentive

Sec. I.1: Blockchain Technology

Sec. J.1: Study-Internet-Based Lodging Accommodations

Secs. K.1–K.3: State Workforce Development Board

Secs. L.1–L.3: Vermont Creative Network

[Secs. M.1–M.2: Employee Ownership]

[Secs. N.1–N.3: Veterans Entrepreneurship]

Secs. O.1–O.2: Vermont Sustainable Jobs Fund

[Secs. P.1–P.2: Southern Vermont Economic Development Marketing and Planning]

Secs. Q.1–Q.2: Tax Study [*Cross Border Study*] [Vermont Tax Study]

Sec. R.1: Financial Literacy Commission

Secs. S.1–S.3: Vermont Enterprise Fund

Secs. T.1–T.4: Workforce Housing and Down Payment Assistance Program

Secs. A.1–A.7: Vermont Economic Development Authority

- *Sec. A.1 authorizes the Governor to appoint up to 10 members and adds a legislative member to the VEDA board*
 → Sen. Finance proposes to strike Sec. A.1
- **Sec. A.2** eliminates certain statutorily mandated process requirements for approving VEDA loans, including delegation of authority to loan officers
- **Sec. A.3** raises the total amount of money VEDA may lend from \$130 million to \$155 million
- **Sec. A.4**, in conjunction with **Sec. A.7 (b)(1)**, repeals VEDA’s defunct mortgage insurance program and transfers any remaining indemnification funds held by the Treasurer under that program to VEDA
- **Sec. A.5** eliminates the statutory cap on the amount of inter-fund transfers VEDA can make between the Vermont Jobs Fund and the Vermont Agricultural Credit Program
 → Sen. Finance proposes to preserve cap on inter-fund transfers but raise the limit from \$60 million to \$100 million
- **Sec. A.6** integrates forest products and businesses into the Agricultural Credit Program; eliminates the statutory cap on the amount of loans VEDA can make to a single entity; and eliminates statutory mandates concerning the maturity dates and collateral for loans on real or personal property
 → Sen. Finance proposes to preserve cap on maximum value of loans to a single borrower but raise the limit from \$2 million to \$5 million
- **Sec. A.7** eliminates \$1m of full faith and credit made available to VEDA for its TECH loan program, and repeals the defunct Mortgage Insurance Program and Vermont Financial Access Program.

Sec. B.1: Cooperatives; Electronic Voting

- Enables a cooperative, in its articles of incorporation, to permit voting via telephone, electronic communication, or other medium (but still not by proxy).

Secs. C.1–C.2: Regional Planning and Regional Economic Development

- Changes the payment mechanism for regional planning and regional economic development services from a performance contract to a performance grant

Sec. D.1: Vermont Training Program

- Authorizes the Agency of Commerce and Community Development to allocate up to 10% of the VTP funding to work-based learning programs for students
 → Sen. Finance proposes to exclude paid sick leave from list of qualifying employee benefits, three of which benefits an employer must offer to be eligible for a VTP training grant

Secs. E.1–E.4: Corporations, LLCs, and Business Organizations

- **Sec. E.1** repeals current corporations law governing mergers and share exchanges and replaces with new provisions authorizing conversions, mergers, share exchanges, and domestications
- **Sec. E.2** extends dissenters rights to corporation conversions and domestications
- **Sec. E.3** makes technical conforming changes to the LLC chapter
- **Sec. E.4** makes technical changes to the DBA provisions to ensure all entity types doing business under an assumed name register with the Secretary of State

Secs. F.1–F.9: Vermont State Treasurer

- **Sec. F.1** reauthorizes the Public Retirement Plan Study Committee and adds one additional member to represent youth and young working adults
- **Sec. F.2** authorizes the Treasurer to work with other States in implementing the ABLE Savings Program
- **Sec. F.3** authorizes the ABLE Task Force to meet until the Program is implemented
- **Sec. F.4** provides that, notwithstanding its statutory mandate, the Private Activity Bond Advisory Committee will not meet unless called by the Treasurer
- **Secs. F.5–F.6** codify in statute the Treasurer’s authority to invest in the Vermont Community Loan Fund and increase the amount of investment to \$1m
- **Secs. F.7–F.9** codify the Treasurer’s Local Investment program and advisory committee and remove the sunset for the program

Sec. G.1: Medicaid for Working People with Disabilities

- Makes a conforming technical amendment to Vermont statute setting the statutory resource limit for the program in order to harmonize with last year’s economic development bill, which authorized DAIL to seek approval from CMS for raising the asset limits for program eligibility

Secs. H.1–H.11: Vermont Employment Growth Incentive

- **Sec. H.1** re-states in plain language, in new sections located in Title 32, the language governing the Vermont Economic Progress Council and the Vermont Employment Growth Incentive Program, with three substantive changes to the underlying VEGI program: (1) converts statutory “guidelines” to mandatory criteria; (2) eliminates property tax stabilization as an eligible form of payment for incentives; (3) changes LMA incentive and overall program cap structure so

that VEPC may approve higher initial caps, but must seek E-Board approval for final authorizations that exceed the cap (LMA=\$1.5 million initial/\$1 million final; Program = \$15 million initial/\$10 million final)

→ Sen. Econ Dev. proposes changes in Sec. H.1:

- § 3330(a) – amends statutory purpose language

- § 3334 – to exceed the cap for LMA incentive, VEPC must request E-Board approval [House proposal ~ Gov request to Joint Fiscal Committee]

- §3338 – clarifies Dept. Taxes shall not pay any interest on incentives

- §3339 – clarifies that Dept. Taxes has same enforcement authority under new VEGI re-write as in current law

- §3342 - to exceed the total program cap, VEPC must request E-Board approval [House proposal ~ Gov request to Joint Fiscal Committee]

→ Sen. Finance – H.1, § 3331(9)(C)(viii) – proposes to exclude paid sick leave from list of qualifying employee benefits, three of which benefits an employer must offer for a job to count as a “qualifying job” for an incentive award

- **Secs. H.2–H.9** – conforming statutory changes consistent with new VEGI statute
→ Sen. Econ. Dev. proposes to amend statutory purpose language in H.7

- **Secs. H.10–H.12: Transition and Sunset of Program**

→ House: current VEGI statute expires July 1, 2017; re-write takes effect July 1, 2017; program sunsets on July 1, 2020

→ Sen. Econ. Dev.: current VEGI statute expires January 1, 2018, re-write takes effect July 1, 2018; program does not sunset

→ Sen. Finance: current VEGI statute expires January 1, 2018; re-write takes effect July 1, 2018; program sunsets January 1, 2022

- **Secs. H.13–H.15: VEGI Studies**

→ House: creates one VEGI Technical Working Group to study certain technical issues; directs VEPC to review certain policy questions

→ Sen. Econ. Dev.: creates one group, with six technical members to address technical issues, and adds three additional members to original six to address policy questions

→ **Sen. Finance:** creates two groups, one Technical Working Group to address technical issues, and one policy group to address policy questions; gives Joint Fiscal Committee flexibility on composition of TWG (to save \$\$\$);

→ **Adds Sec. H.15 –** directs VEPC to recommend quantifiable standards for benefits for “qualifying jobs”

Sec. I.1: Blockchain Technology

- Creates certain rebuttable statutory presumptions of authenticity for records that were created using blockchain technology.

Sec. J.1: Study-Internet-Based Lodging Accommodations

- Directs the Departments of Tax, Health, Tourism and Marketing, Public Safety, and Financial Regulation to review provisions of law governing Internet-based lodging businesses and report to committees of jurisdiction

Secs. K.1–K.3: State Workforce Development Board

- Amends Vermont statute to conform with changes to the federal Workforce Innovation and Opportunity Act, and authorizes members of the State Workforce Development Board to appoint a designee

Secs. L.1–L.3: Vermont Creative Network

- **Sec. L.1** directs the Vermont Arts Council, with Statewide partners, to create the Vermont Creative Network
 - **Sen. Econ. Dev. clarifies that Vermont Arts Council creates and provides oversight and control to Vermont Creative Network and Arts Council is responsible for reporting**
- **Sec. L. 2** appropriates \$35,000 to the Council
- **Sec. L.3** makes the Council’s duty to create the Network contingent on receiving the appropriation

[Secs. M.1–M.2: Employee Ownership]

- **Sec. M.1** *[Reserved]*
- **Sec. M.2** *appropriates \$35,000 to the Agency of Commerce and Community Development to make grants for feasibility studies for the creation of an employee stock ownership plan or worker cooperative*
 - **Sen. Econ. Dev. strikes Sec. M.2**

~~**[Secs. N.1–N.3: Veterans Entrepreneurship]**~~

- *Creates a preference for veterans in State-funded programs*
→ Sen. Econ. Dev. strikes Secs N.1–N.3

Secs. O.1–O.2: Vermont Sustainable Jobs Fund

- Makes technical changes to the VSJF governing statute reflecting that administrative support of the program rests with the Agency of Commerce and Community Development, and that the Vermont Economic Development Authority does not hire or assign the Program Director

~~**[Secs. P.1–P.2: Southern Vermont Economic Development Marketing and Planning]**~~

- *Sec. P.1 appropriates \$75,000 of the Vermont Yankee economic development funding to the Brattleboro Development Credit Corporation for economic development marketing*
- *Sec. P.2 appropriates \$50,000 to the Bennington County Regional Commission for economic development planning*
→ Sen. Econ. Dev. strikes Secs. P.1–P.2

~~**[Sec. Q.1: Cross Border Study]**~~

- Directs the Legislative Economist to perform a study on the relative long-term economic impacts of Vermont and New Hampshire tax policies affecting retail business competitiveness
→ Sen. Econ. Dev. strikes Sec. Q.1 and adds Sec. Q.2

Sec. Q.2: Vermont Tax Study

- Directs Joint Fiscal Office to conduct 10-year comprehensive tax study

Sec. R.1: Financial Literacy Commission

- Adds one additional member to the Commission, appointed by the Office of Economic Opportunity from among candidates proposed by the Community Action Agencies

→ Sen. Econ. Dev. Adds Secs. S.1–S.3—Vermont Enterprise Fund

- **Sec. S.1** repeals session law that creates the Enterprise Fund
- **Sec. S.2** codifies Enterprise Fund at 10 V.S.A. § 12
- **Sec. S.3** appropriates \$85,000 from General Fund to Enterprise Fund

→ **Sen. Econ. Dev. Adds Secs. T.1–T.4—Workforce Housing and Down Payment Assistance Program (Originally included in H.865)**

- **Sec. T.1** – purpose of Sec. T.2
- **Sec. T.2** appropriates \$1 million from the General Fund to the Vermont Housing and Conservation Board and gives VHCB the authority to administer an application and grant process for two or more workforce housing pilot projects
 - Sen. Econ. Dev. amends House language in H.865 to clarify affordability standards; limit projects to one per county; and provide for rescission of funds that are uncommitted on July 1, 2018.
- **Sec. T.3** amends enabling authority of VHCB to include owner-occupied housing at 120% of median income
- **Sec. T.4** extends VHFA’s authority by four years to sell affordable tax credits for the Down Payment Assistance Program, from current statutory authority in FY 2016-2018 to extend through FY 2022