

**No. 52. An act relating to job creation, economic development, and buy local agriculture.**

(H.287)

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

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

Sec. 1. VEGI STUDY

On or before January 15, 2012, the secretary of commerce and community development shall conduct a comprehensive study of the Vermont employment growth incentive program and shall submit a report to the house committees on commerce and economic development and on ways and means, and to the senate committees on finance and on economic development, housing and general affairs. The study shall address the overall effectiveness of the program; the appropriate term and use of the “look back” provision and the wage threshold; the appropriate use of company-specific and industry background growth rates; the administrative burden the program imposes both on employers and on government; a comparison to similar programs in other states; and such other issues as the secretary deems necessary to evaluate changes to or elimination of the program.

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 ~~fiscal~~ years, unless the council determines that the enterprise will establish a significantly different, 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. [RESERVED]

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. 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. Data and information in the joint report made available to the public shall be presented in a searchable format.

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.

(d) The commissioner may, in his or her discretion, modify any requirement of and use the funds appropriated for this section in any other manner that furthers the goal of reducing the number of long-term unemployed

Vermonters.

\* \* \* Labor; Workforce Training \* \* \*

Sec. 8. 10 V.S.A. § 541(d) is amended to read:

(d) The governor shall appoint one of the business or employer members to chair the council for a term of two years. A member shall not serve more than three consecutive terms as chair.

Sec. 8a. DEPARTMENT OF LABOR; WORKFORCE DEVELOPMENT

DIRECTOR; REPEAL

10 V.S.A. 541(h) (executive director of workforce development council) is repealed.

Sec. 9. FINDINGS: VERMONT TRAINING PROGRAM

The general assembly finds:

(1) The Vermont training program provides funds for the training of employees in new and existing businesses in the sectors of manufacturing, information technology, health care, telecommunications, and environmental engineering. The state offers three training initiatives: new employment, upgrade, and crossover training for incumbent workers. These individually designed training programs may include on-the-job, classroom, skill upgrade, or other specialized training which is mutually agreed upon between the state and employer.

(2) A report conducted by the legislative joint fiscal office pursuant to



Sec. 14a. of No. 78 of the 2009 Adj. Sess. (2010) found that businesses that are served by the Vermont training program (VTP) see it as a valuable state program in support of small business and the workforce in Vermont.

(3) Currently, as is the case with many programs that receive state funding and are included in the unified economic development budget, the VTP is not collecting and reporting sufficient data, nor are sufficient performance measures and benchmarks in place, to measure effectively the program's performance.

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:

(1) when issuing grants to an employer or consortium of employers, the employer promises as a condition of the grant to increase employment or provide training to enhance employment stability at an existing or expanded eligible facility within the state where eligible facility is defined as in subdivision 212(6) of this title relating to Vermont economic development authority, or the employer or consortium of employers promises to open an eligible facility within the state which will employ persons, provided that for

the purposes of this section, eligible facility may be broadly interpreted to include employers in sectors other than manufacturing ~~including the fields of information technology, telecommunications, health care, and environmental technologies~~; and

\* \* \*

(b) Eligibility for grant. The secretary of commerce and community development ~~shall find in the grant or contract that~~ may award a grant to an employer if:

(1) the employer's new or expanded ~~facility~~ initiative 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

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

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

\* \* \*

(4) 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~~ order to avoid duplication of programs or services and to provide the greatest return on investment from training provided 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 services provided 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 whether the grantee has accessed, or is eligible to access, other workforce development and training resources offered by public or private workforce development partners;

(2) disburse grant funds only for training hours that have been successfully completed by employees; provided that a grant for on-the-job training shall either provide not more than 50 percent of wages for each employee in training, or not more than 50 percent of trainer expense, but not both, and further provided that training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and

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

(e) The secretary of commerce and community development shall administer all training programs under this section, may select and use providers of training as appropriate, and shall adopt rules and may accept services, money or property donated for the purposes of this section. The secretary may promote awareness of, and may give priority to, training that enhances critical skills, productivity, innovation, quality, or competitiveness, such as training in Innovation Engineering, “Lean” systems, and ISO certification for expansion into new markets.

\* \* \*

(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 (c)(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 September 1, 2011, the agency of commerce and community development, in coordination with the department of labor, and in consultation with the workforce development council and the legislative joint fiscal office, shall develop, to the extent appropriate, 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, and shall collect employee-specific data on training outcomes regarding the performance measures; provided, however, that the secretary shall redact personal identifying information from such data.

(2) On or before January 15, 2013, the joint fiscal office shall prepare a performance report using the benchmarks and performance measures created pursuant to subdivision (1) of this subsection. The joint 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 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. 10a. VERMONT TRAINING PROGRAM; ELIGIBILITY CRITERIA;  
REPORT; REPEAL

(a) On or before January 15, 2012, the secretary of commerce and community development shall review and report his or her recommendations to the house committee on commerce and economic development and the senate committee on economic development, housing and general affairs concerning:

(1) appropriate eligibility criteria to supplement or replace the criteria in



10 V.S.A. § 531(b); and

(2) the appropriate amounts by which the secretary may reduce or waive the program wage requirements to adequately account for:

(A) the value of benefits offered by an employer; and

(B) economic and employment conditions in different regions of the state.

(b) 10 V.S.A. § 531(b) shall be repealed on June 30, 2012.

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

§ 544. VERMONT CAREER INTERNSHIP PROGRAM

(a)(1) The department of labor, in consultation with the department of education, shall develop and implement a statewide Vermont career internship program for Vermonters who are in high school or in college and for those who are recent graduates of 24 months or less.

(2) The department of labor shall coordinate and provide 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, colleges, and recent graduates of 24 months or less.

(3) Funding awarded through the Vermont career internship program may be used to administer an internship program and to provide participants 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 and recent graduates 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; and

(F) offer participants 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 postsecondary 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 career internship program;

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

##### INTERNSHIP PROGRAM; WORKERS' COMPENSATION

(a)(1) Program costs in fiscal year 2012 for the Vermont career 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 postsecondary educational institutions, the workforce development council, and other state agencies and departments that have workforce development and training monies.

(b) The state may provide workers' compensation coverage to participants in the Vermont career internship program authorized in 10 V.S.A. § 544. The state shall be considered a single entity solely for purposes of purchasing a single workers' compensation insurance policy providing coverage for interns. This subsection is intended to permit the state to provide workers' compensation coverage, and the state shall not be considered the employer of the participants for any other purposes. The cost of coverage may be deducted from grants provided for the internship program.

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 Career 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 career internship program established in section 544 of this section.~~

Sec. 14. 10 V.S.A. § 542 is amended to read:

§ 542. REGIONAL WORKFORCE DEVELOPMENT

~~(a) Each regional technical center, as defined in 16 V.S.A. § 1522, shall:~~

~~(1) identify and respond to the workforce development needs of employers in its region; and~~

~~(2) coordinate a delivery system of workforce education and training services that is responsive to the needs of employers, employees, and individuals interested in receiving workforce training and is consistent with policies established by the workforce development council. The system shall avoid duplication of services among workforce education and training programs and service providers.~~

~~(b) Notwithstanding subsection (a) of this section, the workforce development council may authorize a regional workforce investment board that existed on May 1, 2010 to carry out the duties which would otherwise be assigned to a regional technical center pursuant to this section. The amount of funding to each WIB so authorized shall be based on the performance contract entered into between the council and the WIB.~~

~~(c) (d) [Repealed.]~~

(a) The commissioner of labor, in coordination with the secretary of commerce and community development, and in consultation with the workforce development council, is authorized to issue performance grants to one or more persons to perform workforce development activities in a region.

(b) Each grant shall specify the scope of the workforce development activities to be performed and the geographic region to be served, and shall include outcomes and measures to evaluate the grantee's performance.

(c) The commissioner of labor and the secretary of commerce and community development shall jointly develop a grant process and eligibility criteria, as well as an outreach process for notifying potential participants of the grant program. The commissioner of labor shall have final authority to approve each grant.

\* \* \* Entrepreneurship; Creative Economy \* \* \*

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

§ 2471c. OFFICE OF CREATIVE ECONOMY; VERMONT FILM

COMMISSION

(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, including the work of the Vermont film commission. The office shall provide business,

networking, and technical support to establish, grow, and attract enterprises involved with the creative economy, primarily focused on but not limited to such areas as film, new and emerging media, software development, and innovative commercial goods. The office shall work in collaboration with Vermont's private and public sectors, including educational institutions, 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; ASSIGNMENT OF DUTIES; VERMONT FILM CORPORATION

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

(b) The duties of the Vermont film corporation shall be transferred to the agency of commerce and community development.

Sec. 17. 3 V.S.A. § 2471d is added read:

§ 2471d. VERMONT FILM AND NEW MEDIA ADVISORY BOARD

The secretary of commerce and community development shall appoint a film and new media advisory board to make recommendations to the secretary on promoting Vermont as a location for commercial film and television



production and facilitating the participation of local individuals and companies in such productions. The primary function of the advisory board is to recommend to the secretary strategies to link Vermonters employed in the film and new media, video, or other creative arts, to economic opportunities in their trades in Vermont.

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.

Sec. 20. [RESERVED]

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

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 regional center for immigrant investment under the federal EB-5 program. The fund shall consist of revenues derived from administrative charges 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 center

and its operations.

(b)(1) The receipt and expenditure of moneys from the enterprise fund shall be under the supervision of the secretary of commerce and community development.

(2) 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.

(3) Expenditures from the fund shall be used only to administer the EB-5 program. At the end of each fiscal year, the secretary of administration shall transfer from the EB-5 enterprise fund to the general fund any amount that the secretary of administration determines, in his or her discretion, exceeds the funds necessary to administer the program.

(c) Notwithstanding 32 V.S.A. § 603, the secretary of commerce and community development is authorized to impose an administrative charge for the costs of administering the regional center and providing specialized services in support of participating economic development projects.

#### Sec. 22. EB-5 ENTERPRISE FUND REPORT

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 charges imposed and collected, and recommendations concerning the EB-5 enterprise fund.

\* \* \* Housing and Development \* \* \*

Sec. 23. FINDINGS: VERMONT NEIGHBORHOODS

The general assembly finds:

(1) The Vermont neighborhoods program offers benefits to municipalities and developers with projects that promote affordable, high-density, smart growth principles in areas of the municipality most suitable for targeted growth and infill development.

(2) Among the benefits afforded by the program, projects within designated Vermont neighborhoods can be designed to reduce the scope and cost of Act 250 jurisdiction, can reduce environmental permitting costs, and in some cases can eliminate land gains tax.

(3) The process for achieving a Vermont neighborhoods designation has proven to be either too costly or administratively burdensome for most towns in Vermont, and as a result, very few designations have been made since the creation of the designation.

(4) By providing landowners the ability to apply for Vermont neighborhood designation directly and in compliance with procedures designed

to ensure public notice and participation, developers, municipalities, and Vermonters will likely benefit from expansion of the Vermont neighborhoods program and the types of smart growth development it promotes.

Sec. 23a. 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 legislative body shall duly warn a joint public hearing with the

appropriate municipal panel, which hearing shall be held concurrently with the local permitting process. Designation pursuant to this subsection 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) Alternative designation in towns without density or design standards. If a municipality has not adopted either the minimum density requirements or design standards, or both, 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. 24. FINDINGS: SMALL CONDOMINIUM EXCEPTION TO UCIOA

The general assembly finds:

(1) There are two kinds of common interest communities governed by the Vermont Common Interest Ownership Act: planned communities and condominiums, either of which may be used for the subdivision of land or for the subdivision of a building.

(2) Under current law, a small planned community of 24 or fewer units is exempt from all but three sections of Title 27A, but only if a declarant does

not reserve any development rights.

(3) Certain projects require a reservation of development rights because they are developed in phases, and later phases are often not completely designed when a developer begins construction, particularly in cases that blend affordable rentals with subsidized home ownership units, or in projects that include rental housing mixed with commercial space.

(4) By including an exception for small condominium projects, developers of affordable housing and mixed use projects have the statutory authority necessary to utilize most effectively monies available through programs such as the new markets tax credit program, the low income housing tax credit, the community development institutions fund, and diverse private and nonprofit capital streams to maximize funding opportunities for these projects.

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

§ 1-209. SMALL CONDOMINIUMS; EXCEPTION; ACCESS TO MIXED FUNDING SOURCES

~~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.

Secs. 27–28. [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 Sec. 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 work-group 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 work-group 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 work-group 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

\* \* \*

§ 4348b. READOPTION OF REGIONAL PLANS

(a) Unless they are readopted, all regional plans, including all prior amendments, shall expire every eight 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 submitted to the agency of commerce and community development and the municipalities within the region. The assessment report may 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 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.

\* \* \*

Sec. 31. [RESERVED]

Sec. 32. 24 V.S.A. § 4348a is amended to read:

§ 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.

\* \* \*

Sec. 33. 24 V.S.A. § 4382 is amended to read:

§ 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:

\* \* \*

(11) 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.

\* \* \*

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

Sec. 34. SLAUGHTERHOUSE AND MEAT PROCESSING FACILITY  
CAPACITY

The agency of agriculture, food and markets is authorized to issue one or more competitive matching grants to increase slaughterhouse and meat processing facility capacity throughout the state. Funds made available in a fiscal year for this section shall be used exclusively for direct grants and shall not be used for administration of the program.

Sec. 35. FINDINGS: VERMONT SUSTAINABLE JOBS FUND (VSJF)

The general assembly finds:

(1) In order to access funds available from the community development financial institutions fund, the nonprofit corporation Vermont sustainable jobs must demonstrate that it is sufficiently independent from control of government.

(2) The general assembly has made a substantial investment in recent years to enable the work of VSJF in enhancing the agricultural sector and resources within the state, and finds it important to maintain a presence on the board while allowing VSJF to access additional sources of funding.



(3) Therefore, the purpose and intent of Secs. 35a through 38 of this act is to authorize a change in the composition of the VSJF board to allow it to access necessary funds.

Sec. 35a. 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 TRAINING

The secretary shall issue a request for proposals to develop a curriculum and provide classroom and on-the-job training for the occupation of skilled meat cutter.

Sec. 42. 6 V.S.A. § 4724 is added 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) encouraging and facilitating the enrollment of state employees in a local community supported agriculture (CSA) organization;

(4) developing a database of producers and potential purchasers and enhancing the agency's website to improve and support local foods coordination through the use of information technology; and

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

(c) The local foods coordinator, working with the commissioner of buildings and general services pursuant to rules adopted under 29 V.S.A. § 152(14), shall:

(1) encourage and facilitate CSA enrollment by state employees through the use of approved advertisements and solicitations on state-owned property; and

(2) implement guidelines for the appropriate use of state property for employee participation in CSA organizations, including reasonable restrictions

on the time, place, and manner of solicitations, advertisements, deliveries, and related activities to ensure the safety and welfare of state property and its occupants.

(d) The local foods coordinator shall administer a local foods grant program, the purpose of which shall be to provide grants to allow Vermont producers to increase their access to commercial and institutional markets.

#### 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.

Sec. 44. [RESERVED]

\* \* \* Consumer Protection; Local Florists \* \* \*

Sec. 45. 9 V.S.A. § 2465b is added to read:

§ 2465b. MISREPRESENTATION OF A FLORAL BUSINESS AS LOCAL

(a) In connection with the sale of floral products, it shall be an unlawful and deceptive act and practice in commerce in violation of section 2453 of this title for a floral business to misrepresent in an advertisement, on the Internet, on a website, or in a listing of the floral business in a telephone directory or other directory assistance database the geographic location of the floral business as “local,” “locally owned,” or physically located within Vermont.

(b) A floral business is considered to misrepresent its geographic location that it is “local,” “locally owned,” or located within Vermont in violation of subsection (a) of this section if the floral business is not physically located in Vermont and:

(1) the advertisement, Internet, web site, or directory listing would lead a reasonable consumer to conclude that the floral business is physically located in Vermont; or

(2) the advertisement, Internet, web site, or directory listing uses the name of a floral business that is physically located in Vermont, with geographic terms that would lead a reasonable consumer to understand the advertised floral business to be physically located in Vermont.



(c) A retail floral business physically located in Vermont shall be deemed a consumer for the purposes of enforcing this section under § 2461(b) of this chapter.

\* \* \* Study of Vermont Building Codes \* \* \*

Sec. 46. STUDY; VERMONT BUILDING CODES

(a) Findings.

(1) The state of Vermont has two codes that are used to regulate construction in public buildings: one is the International Code Council (ICC) that publishes the International Building Code (IBC) which is adopted by the State, the other is the National Fire Protection Association (NFPA), that publishes the Life Safety Code and Uniform Fire Code adopted by the state. In most cases, the life safety codes do not regulate the actual construction of buildings, but rather, are designed to protect life safety and property. Other states may use only the International Code Council codes; however, these codes have greater than 300 references to the NFPA codes; in addition, these states also have modified the code for particular local or state issues. Some states have no building codes at all.

(2) Construction is regulated under the division of fire safety and by municipal code officials. Application of these codes should be consistent throughout the state. This would help to reduce confusion with contractors, design professionals, and the enforcement staff located in regional offices and

municipalities. It would also reduce time during the design process and improve efficiency. The issues are further complicated when determining the appropriate application of one or more codes to both new buildings and to existing buildings. It is realized that the IBC code is not appropriate to use for existing buildings which may present differing concerns from the perspective of both construction and design professionals; however, those working in the field of existing building renovation understand that the use of the NFPA codes is applied by public safety.

(3) Notwithstanding these competing perspectives, Vermont's blend of codes remains difficult for most professionals from all perspectives to interpret and apply. It is appropriate for design professionals to meet with division staff during preconstruction of complex design; this is a free service which is encouraged. A better understanding of the codes through education and cooperation would substantially reduce public resources.

(4) The general assembly therefore has determined that it should create an interim committee to consider whether the process may be simplified to improve clarity and reduce regulatory costs without reducing life safety for occupants and for first responders in the case of emergency.

(b) Creation of committee. There is created a building code study committee to evaluate the present use of multiple building and life safety codes, to assess the costs and benefits of each, to recommend to the general

assembly whether one or more codes should be used going forward, and to what types of buildings or classes of buildings they should be applied.

(c) Membership. The building code study committee shall be composed of the following:

(1) one member appointed by the commissioner of public safety who shall be an employee of the division of fire safety and who shall serve as chair of the committee;

(2) one member appointed by the AIA-VT who shall be a licensed architect;

(3) one member appointed by the Structural Engineers Association of Vermont who shall be a structural engineer;

(4) two members from the emergency services sector, one of whom shall be appointed by the Vermont Coalition of Fire and Rescue Services and shall be a professional firefighter, and one of whom shall be appointed by the Vermont Ambulance Association and who shall be an emergency medical technician;

(5) one member appointed by the Associated General Contractors of Vermont who is a general contractor;

(6) one member appointed by the governor who shall be a representative of a nonprofit developer;

(7) two members appointed by the Vermont League of Cities and

Towns, one from a city and one from a town, and each of whom represents the interests of municipalities that administer building code programs;

(8) one member appointed by the secretary of commerce and community development who shall have expertise in historic preservation.

(9) the commissioner of buildings and general services or his or her designee.

(d) Report. On or before January 15, 2012, the committee shall report its findings and any recommendations for legislative action to the house committees on commerce and economic development and on general, housing and military affairs, and to the senate committee on economic development, housing and general affairs.

(e) The committee may meet no more than six times, shall serve without compensation, and shall cease to exist on January 31, 2012.

Sec. 47–49. [RESERVED]

\* \* \* Website for Affiliates of Online Retailers Collecting  
Sales Tax \* \* \*

Sec. 50. ACCD; WEBSITE FOR AFFILIATES OF ONLINE BUSINESSES

The agency of commerce and community development shall create a website, or a new section of its website, the purpose of which shall be to provide matchmaking opportunities for Vermont companies to affiliate with online retailers that collect and remit sales tax on purchases made online.

Sec. 51–59. [RESERVED]

\* \* \* First and Second Class Liquor Licenses; Food Service \* \* \*

Sec. 60. 7 V.S.A. § 222 is amended to read:

§ 222. FIRST AND SECOND CLASS LICENSES, GRANTING OF; SALE  
TO MINORS; CONTRACTING FOR FOOD SERVICE

\* \* \*

(4)(A) A holder of a first class license may contract with another person to prepare and dispense food on the license holder's premises. ~~The first class license holder may have no more than 75 events each year under this subdivision. At least five days prior to each event under this subdivision, the first class license holder shall provide to the department of liquor control written notification that includes the name and address of the license holder, the date and time of the event and the name and address of the person who will provide the food.~~

(B) The first class license holder shall provide to the department written notification five business days prior to start of the contract the following information:

(i) the name and address of the license holder;

(ii) a signed copy of the contract;

(iii) the name and address of the person contracted to provide the food;

(iv) a copy of the person's license from the department of health for the facility in which food is served; and

(v) the person's rooms and meals tax certificate from the department of taxes.

(C) The holder of the first class license shall notify the department within five business days of the termination of the contract to prepare and dispense food. It is the responsibility of the first class licensee to control all conduct on the premises at all times, including the area in which the food is prepared and stored.

Secs. 61–63. [RESERVED]

Sec. 64. STUDY; PRIVATE ACTIVITY BONDS

(a) Findings.

(1) Due to changes in federal law governing underwriting and servicing student loans, the Vermont student assistance corporation (VSAC) has experienced a substantial decrease in its ability to generate revenue and is currently downsizing its operation.

(2) As a result, the general assembly finds that VSAC's private activity bond allocation, which in recent years has exceeded \$100 million, may be available for use as an economic development tool, and that the secretary of administration should review the process of allocation and the potential uses to which the state's allocation should be dedicated.

(b) On or before November 1, 2011, the secretary of administration, in collaboration with the office of the treasurer, shall review and report his or her findings to the house committee on commerce and economic development and to the senate committee on economic development, housing and general affairs concerning:

(1) the state's current process for allocation of private activity bond capacity, including whether the process should be modified to increase participation by the public and interested parties; and

(2) a cost-benefit analysis of one or more projects that may be suitable for private activity bond funding.

\* \* \* Southeast Vermont Economic Development Strategy \* \* \*

#### Sec. 65. SOUTHEAST VERMONT ECONOMIC DEVELOPMENT

##### STRATEGY

The general assembly finds:

(1) In light of the scheduled closure of the Vermont Yankee nuclear facility in March 2012, Windham County will experience dramatic regional economic dislocation and will require additional support beyond background economic development programs.

(2) Windham County is currently undertaking an economic development planning process, the Southeast Vermont Economic Development Strategy (SeVEDS), the purpose of which is to prepare for the economic shift that will

occur upon closure of Vermont Yankee. The process is now funded by Fairpoint Communications, but that funding will expire prior to completion of the process.

(3) The general assembly therefore finds it appropriate to provide funding to support the completion of the SeVEDS and to support workforce development and other activities that will assist Windham County in addressing the adverse economic consequences of the closure of Vermont Yankee, with particular emphasis on supporting Vermont Yankee employees and their families in securing new employment in Windham County.

\* \* \* Next Generation Initiative Fund;

Appropriations, Transfers, and Funding \* \* \*

Sec. 66. Sec. B.1100(a)(1)(B) of H.441 of 2011 (Sec. B.1100 of No. \_\_ of the Acts of 2011) is amended to read:

(B) Adult Technical Education Programs. The amount of \$360,000 is appropriated to the department of labor working with the workforce development council. This appropriation is for the purpose of awarding grants to regional technical centers and comprehensive high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults. ~~Notwithstanding any other provision of law to the contrary, the funds appropriated pursuant to this subdivision (B) shall be evenly divided among the regional technical centers~~



~~and the comprehensive high schools based on the level of resources provided pursuant to performance contracts.~~

Sec. 67. Sec. B.1100.1(a) of H. 441 of 2011 (Sec. B.1100.1 of No. \_\_ of the Acts of 2011) is amended by striking subsection B.1100.1(a) in its entirety and inserting a new Sec. B.1100.1 to read:

Sec. B.1100.1 WORKFORCE DEVELOPMENT COUNCIL  
RECOMMENDATION FOR FISCAL YEAR 2013 NEXT  
GENERATION FUND DISTRIBUTION

The department of labor, in coordination with the agency of commerce and community development, the agency of human services, and the department of education, and in consultation with the workforce development council, shall recommend to the governor no later than November 1, 2011, on how \$4,793,000 from the next generation fund should be allocated or appropriated in fiscal year 2013 to provide maximum benefit to workforce development, participation in postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont.

Secs. 68–69. [RESERVED]

\* \* \* State Contracting; Net Costs of Contracting \* \* \*

Sec. 70. FINDINGS: NET COSTS OF GOVERNMENT CONTRACTING

The general assembly finds:

(1) The state of Vermont is a significant purchaser of goods and

services. As a result, the purchasing policies of the state of Vermont both influence the practices of vendors and have a fiscal impact on the state.

(2) Although multiple factors are considered in the procurement process, Vermont often selects the lowest bids for goods and services contracts and does not consistently account for the true economic costs of procurement from out-of-state providers relative to local and socially responsible providers.

(3) This policy fails to account for the fact that procurement decisions based on a bid price alone do not necessarily account for the total fiscal impact to the state of the bid award. Among the fiscal impacts to the state inherent in bid proposals are: the amount of wages paid to Vermont resident employees, the local spending effect of earned wages and profits in the Vermont economy by Vermont residents, revenue effects of purchasing of goods and services from other Vermont businesses in support of the primary vendor's submitting the bid, the possible reduction of Vermont unemployment, and the possible reduction in public assistance programs that result from earned wages.

(4) In recognition of the total fiscal impacts of state procurement practices, new procurement policies are required to ensure that the state of Vermont makes sound financial decisions that reflect the whole cost of contracts.

Sec. 71. STUDY; NET COST OF GOVERNMENT CONTRACTING;  
ECONOMETRIC MODELING

(a) The secretary of administration shall conduct a study on the net economic costs and benefits of government contracting and how the state may most effectively increase purchasing of in-state products and services.

(b) As a component of the study, the secretary shall investigate the development of an econometric model, based on or similar to the REMI model currently used by the executive and legislative economists, to allow state agencies and departments to evaluate the net costs and economic impacts of government contracts for goods and services. The secretary may, in his or her discretion, contract for the development of an econometric model that would:

(1) consider the net fiscal impact to the state of all significant elements of bids, including the level of local employment, wages and benefits, source of goods, and domicile of bidder;

(2) be designed to be easily updated from year to year; and

(3) be designed such that state employees administering bid processes can easily utilize the model in an expedient fashion.

(c) On or before January 15, 2012, the secretary shall submit a report of his or her findings to the senate committees on finance, on economic development, housing and general affairs, and on government operations, and to the house committees on commerce and economic development and on

government operations.

Sec. 72. 29 V.S.A. § 909 is added to read:

§ 909. STATE PURCHASE OF FOOD AND AGRICULTURAL  
PRODUCTS

(a) When procuring food and agricultural products for the state, its agencies, departments, instrumentalities, and institutions, the commissioner of buildings and general services shall consider the interests of the state relating to the proximity of the supplier and the costs of transportation, and relating to the economy of the state and the need to maintain and create jobs in the state.

(b) When making purchases pursuant to this section, the secretary of administration, the commissioner of buildings and general services, and any state-funded institutions shall, other considerations being equal and considering the results of any econometric analysis conducted, purchase products grown or produced in Vermont when available.

Sec. 73. REPEAL

6 V.S.A. § 4601 (purchase of Vermont agricultural products) is repealed.

Sec. 72–75. [RESERVED]

Sec. 76. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

The following words as used in this title, unless a contrary meaning is required by the context, shall have the following meaning:

\* \* \*

(32) “Art gallery or bookstore permit”: a permit granted by the liquor control board permitting an art gallery or bookstore to conduct an event at which malt or vinous beverages or both are served by the glass to the public, provided that the event is approved by the local licensing authority. A permit holder may purchase malt or vinous beverages directly from a licensed retailer. A permit holder shall be subject to the provisions of this title and the rules of the board regarding the service of alcoholic beverages. A request for a permit shall be submitted to the department in a form required by the department at least five days prior to the event and shall be accompanied by the permit fee required by subdivision 231(a)(22) of this title.

Sec. 77. 7 V.S.A. § 231 is amended to read:

§ 231. FEES FOR LICENSES; DISPOSITION OF FEES

(a) The following fees shall be paid:

\* \* \*

(22) For an art gallery or bookstore permit, \$15.00.

\* \* \*

Sec. 78. 9 V.S.A. § 2466 is amended to read:

§ 2466. GOODS AND SERVICES APPEARING ON TELEPHONE BILL

(a) ~~No~~ Except as provided in subsection (f) of this section, a seller shall not bill a consumer for goods or services that will appear as a charge on the

~~person's local telephone bill without the consumer's express authorization bill~~  
~~for telephone service provided by any local exchange carrier.~~

~~(b) No later than the tenth business day after a seller has entered into a contract or other agreement with a consumer to sell or lease or otherwise provide for consideration goods or services that will appear as a charge on the consumer's local telephone bill, the seller shall send, or cause to be sent, to the consumer, by first class mail, postage prepaid, a notice of the contract or agreement.~~

~~(c) The notice shall clearly and conspicuously disclose:~~

~~(1) The nature of the goods or services to be provided;~~

~~(2) The cost of the goods or services;~~

~~(3) Information on how the consumer may cancel the contract or agreement;~~

~~(4) The consumer assistance address and telephone number specified by the attorney general;~~

~~(5) That the charges for the goods or services may appear on the consumer's local telephone bill; and~~

~~(6) Such other information as the attorney general may prescribe by rule.~~

~~(d) The notice shall be a separate document sent for the sole purpose of providing to the consumer the information required by subsection (c) of this~~

~~section. The notice shall not be combined with any sweepstakes offer or other inducement to purchase goods or services.~~

~~(e) The sending of the notice required by this section is not a defense to a claim that a consumer did not consent to enter into the contract or agreement.~~

~~(f) No person shall arrange on behalf of a seller of goods or services, directly or through an intermediary, with a local exchange carrier, to bill a consumer for goods or services unless the seller complies with other than as permitted by this section. This prohibition applies, but is not limited, to persons who aggregate consumer billings for a seller and to persons who serve as a clearinghouse for aggregated billings.~~

~~(g)(c) Failure to comply with this section is an unfair and deceptive act and practice in commerce under this chapter.~~

~~(h)(d) The attorney general may make rules and regulations to carry out the purposes of this section.~~

~~(i)(e) Nothing in this section limits the liability of any person under existing statutory or common law.~~

~~(j)(f)(1) This section shall apply to billing aggregators described in 30 V.S.A. § 231a, but shall does not apply to: sellers regulated by~~

~~(A) billing for goods or services marketed or sold by persons subject to the jurisdiction of the Vermont public service board under Title 30, other than section 231a of Title 30 30 V.S.A. § 203;~~

(B) billing for direct dial or dial around services initiated from the consumer's telephone; or

(C) operator-assisted telephone calls, collect calls, or telephone services provided to facilitate communication to or from correctional center inmates.

(2) Nothing in this section affects any rule issued by the Vermont public service board.

\* \* \* Appropriations and Allocations \* \* \*

#### Sec. 100. APPROPRIATIONS AND ALLOCATIONS

(a) 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 \$475,000.00 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 the local foods coordinator and the local foods grant program in Sec. 42 of this act, not more than \$75,000.00 of which funds



shall be used for the total annual compensation of the coordinator, and not less than \$50,000.00 of which funds shall be used for the performance of the local foods coordinator's duties under this act and for competitive matching grants from the agency to Vermont producers, unless in the secretary's discretion it shall be necessary to increase the amount of total compensation of the local foods coordinator in order to retain a highly qualified candidate for the position.

(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 as authorized in Sec. 34 of this act.

(3) The amount of \$25,000.00 is appropriated from the general fund to the agency of commerce and community development for a matching grant to the Vermont Employee Ownership Center.

(b) The following Next Generation funds are appropriated in Sec. B 1100 of H.441 of 2011 in fiscal year 2012:

(1) \$350,000.00 to the department of labor for the Vermont career internship program in Secs. 11–13 of this act.

(2) \$30,000.00 to the agency of agriculture, food and markets for the Vermont large animal veterinarian educational loan repayment fund in Sec. 39 of this act.

(3) \$25,000.00 to the agency of commerce and community development to fund the completion of the southeast Vermont economic development strategy, workforce development, and other activities pursuant to Sec. 65 of this act.

(4) \$32,500.00 to the agency of commerce and community development for the STEM incentive program in Sec. 6 of this act.

(5) Of the amount appropriated to the workforce education and training fund, and notwithstanding 10 V.S.A. § 543(d), up to \$15,000.00 for transfer to the secretary of administration for the work of the executive economist, and to reimburse the joint fiscal office for the work of the legislative economist, to conduct a study on government contracting, and to develop an econometric model for the evaluation of net costs of government contracts pursuant to Sec. 71 of this act.

(c) Of the funds appropriated to the agency of commerce and community development in fiscal year 2012, \$100,000.00 shall be allocated for the office of creative economy created in Secs. 15–16 of this act.

(d) Of the general funds appropriated to the department of labor in H.441 of 2011:

(1) \$106,395.00 shall be allocated to fund performance grants for regional workforce development activities pursuant to Sec. 14 of this act, not more than seven percent of which funds may be used for administration of the program.

(2) \$25,000.00 shall be allocated for transfer to the secretary of commerce and community development to fund the completion of the southeast Vermont economic development strategy, workforce development, and other activities pursuant to Sec. 65 of this act.

(3) Up to \$15,000.00 shall be allocated for transfer to the secretary of administration for the work of the executive economist, and to reimburse the joint fiscal office for the work of the legislative economist, to conduct a study on government contracting, and to develop an econometric model for the evaluation of net costs of government contracts pursuant to Sec. 71 of this act.

#### Sec. 101. 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. 102. EFFECTIVE DATES; IMPLEMENTATION

(a) This act shall take effect upon passage, except that Secs. 30–33 shall take effect July 1, 2012.

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

Approved: May 27, 2011