

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was  
3 referred Senate Bill No. 220 entitled “An act relating to furthering economic  
4 development” respectfully reports that it has considered the same and  
5 recommends that the House propose to the Senate that the bill be amended by  
6 striking all after the enacting clause and inserting in lieu thereof the following:

7 \* \* \* One-Stop Business Support Services \* \* \*

8 Sec. 1. ONE-STOP SHOP WEB PORTAL

9 (a) Purpose. The State of Vermont seeks to simplify and expedite the  
10 process for business creation and growth by providing:

11 (1) a clear guide to resources and technical assistance for all phases of  
12 business development;

13 (2) a directory of financial assistance, including grants, funding capital,  
14 tax credits, and incentives;

15 (3) a directory of workforce development assistance, including  
16 recruiting, job postings, and training;

17 (4) a link to centralized business services available from the Secretary of  
18 State, the Department of Labor, the Department of Taxes, and others; and

19 (5) agency contacts and links for available services and resources.

20 (b) Administration. On or before June 30, 2015, the Secretary of State,  
21 Department of Taxes, Department of Labor, the Vermont Attorney General,

1 the Agency of Commerce and Community Development, and the Agency of  
2 Administration shall coordinate with other relevant agencies and departments  
3 within State government and outside partners, including regional development  
4 corporations, regional planning commissions, and small business development  
5 centers, to provide comprehensive business services, regional coaching teams,  
6 print materials, other outreach, and a “One-Stop Shop” website, consistent with  
7 the following timeline:

8 (1) Phase 1. Complete necessary partner outreach and collaboration and  
9 an inventory of existing websites, determine the appropriate content to be  
10 included on the One-Stop website, and update current websites to include links  
11 to State agencies and departments with regulatory oversight and authority over  
12 Vermont businesses.

13 (2) Phase 2. Edit and organize the content to be included on the One-  
14 Stop website.

15 (3) Phase 3. Complete the design and mapping of the One-Stop website.

16 (4) Phase 4. Complete a communications and outreach plan with a final  
17 funding proposal for the project.

1                   \* \* \* Vermont Economic Development Authority \* \* \*

2           Sec. 2. 10 V.S.A. chapter 12 is amended to read:

3                   CHAPTER 12. VERMONT ECONOMIC DEVELOPMENT

4                                   AUTHORITY

5   \* \* \*

6                   Subchapter 12. ~~Technology Loan~~ Vermont Entrepreneurial Lending

7   Program

8           § 280aa. FINDINGS AND PURPOSE

9                   (a)(1) ~~Technology-based companies~~ Vermont-based businesses in seed,  
10 start-up, and growth-stages are a vital source of innovation, employment, and  
11 economic growth in Vermont. The continued development and success of ~~this~~  
12 ~~increasingly important sector of Vermont's economy~~ these businesses is  
13 dependent upon the availability of flexible, risk-based capital.

14                   (2) Because the primary assets of ~~technology-based companies~~  
15 ~~sometimes~~ Vermont-based businesses in seed, start-up, and growth-stages  
16 often consist almost entirely of intellectual property or insufficient tangible  
17 assets to support conventional lending, ~~such~~ these companies frequently ~~do~~  
18 may not have access to conventional means of raising capital, such as asset-  
19 based bank financing.

20                   (b) To support the growth of ~~technology-based companies~~ Vermont-based  
21 businesses in seed, start-up, and growth-stages and the resultant creation of

1 ~~high wage~~ higher wage employment in Vermont, a ~~technology loan program~~ is  
2 ~~established under this subchapter~~ the General Assembly hereby creates in this  
3 subchapter the Vermont Entrepreneurial Lending Program to support the  
4 growth and development of seed, start-up, and growth-stage businesses.

5 § 280bb. TECHNOLOGY LOAN VERMONT ENTREPRENEURIAL  
6 LENDING PROGRAM

7 (a) There is created a ~~technology (TECH) loan program~~ the Vermont  
8 Entrepreneurial Lending Program to be administered by the Vermont ~~economic~~  
9 ~~development authority~~ Economic Development Authority. The ~~program~~  
10 Program shall seek to meet the working capital and capital-asset financing  
11 needs of ~~technology based companies~~ start-up, early stage, and growth-stage  
12 businesses in Vermont. The Program shall specifically seek to fulfill capital  
13 requirement needs that are unmet in Vermont, including:

14 (1) loans up to \$100,000.00 to manufacturing businesses and software  
15 developers with innovative products that typically reflect long-term, organic  
16 growth;

17 (2) loans from \$250,000.00 through \$1,000,000.00 in growth-stage  
18 companies who do not meet the underwriting criteria of other public and  
19 private entrepreneurial financing sources; and

1           (3) loans to businesses that are unable to access adequate capital  
2           resources because the primary assets of these businesses are typically  
3           intellectual property or similar nontangible assets.

4           (b) The ~~economic development authority~~ Authority shall establish such  
5           adopt regulations, policies, and procedures for the ~~program~~ Program as are  
6           necessary to carry out the purposes of this subchapter. The authority's lending  
7           criteria shall include consideration of in-state competition and whether a  
8           company has made reasonable efforts to secure capital in the private sector  
9           increase the amount of investment funds available to Vermont businesses  
10           whose capital requirements are not being met by conventional lending sources.

11           (c) When considering entrepreneurial lending through the Program, the  
12           Authority shall give additional consideration and weight to an application of a  
13           business whose business model and practices will have a demonstrable effect  
14           in achieving other public policy goals of the State, including:

15           (1) The business will create jobs in strategic sectors such as the  
16           knowledge-based economy, renewable energy, advanced manufacturing, wood  
17           products manufacturing, and value-added agricultural processing.

18           (2) The business is located in a designated downtown, village center,  
19           growth center, industrial park, or other significant geographic location  
20           recognized by the State.





1           (2) “Agricultural land” means real estate capable of supporting  
2 commercial farming or forestry, or both.

3           (3) “Agricultural products” mean crops, livestock, forest products, and  
4 other farm or forest commodities produced as a result of farming or forestry  
5 activities.

6           (4) “Farm ownership loan” means a loan to acquire or enlarge a farm or  
7 agricultural facility, to make capital improvements including construction,  
8 purchase, and improvement of farm and agricultural facility buildings that can  
9 be made fixtures to the real estate, to promote soil and water conservation and  
10 protection, and to refinance indebtedness incurred for farm ownership or  
11 operating loan purposes, or both.

12           (5) “Authority” means the Vermont ~~economic development authority~~  
13 Economic Development Authority.

14           (6) “Cash flow” means, on an annual basis, all income, receipts, and  
15 revenues of the applicant or borrower from all sources and all expenses of the  
16 applicant or borrower, including all debt service and other expenses.

17           (7) “Farmer” means an individual directly engaged in the management  
18 or operation of an agricultural facility or farm operation for whom the  
19 agricultural facility or farm operation constitutes two or more of the following:

20           (A) is or is expected to become a significant source of the farmer’s  
21 income;



1 (B) the majority of the farmer’s assets; and

2 (C) an occupation in which the farmer is actively engaged ~~in~~, either  
3 on a seasonal or year-round basis.

4 (8) “Farm operation” shall mean the cultivation of land or other uses of  
5 land for the production of food, fiber, horticultural, silvicultural, orchard,  
6 maple syrup, Christmas trees, forest products, or forest crops; the raising,  
7 boarding, and training of equines, and the raising of livestock; or any  
8 combination of the foregoing activities. Farm operation also includes the  
9 storage, preparation, retail sale, and transportation of agricultural or forest  
10 commodities accessory to the cultivation or use of such land.

11 \* \* \*

12 \* \* \* Connecting Capital Providers and Entrepreneurs \* \* \*

13 Sec. 5. NETWORKING INITIATIVES; APPROPRIATION

14 (a) The Agency of Commerce and Community Development shall support  
15 networking events offered by one or more regional economic development  
16 providers designed to connect capital providers with one another or with  
17 Vermont entrepreneurs, or both, and shall take steps to facilitate outreach and  
18 matchmaking opportunities between investors and entrepreneurs.

19 (b) The Agency shall submit to the House Committee on Commerce and  
20 Economic Development and to the Senate Committee on Economic  
21 Development, Housing and General Affairs:

1           (1) a status report on or before January 15, 2015 concerning the  
 2           structure of networking initiatives, the relevant provisions of governing  
 3           performance contracts, and the benchmarks and measures of performance; and  
 4           (2) a report on or before December 15, 2015 concerning the outcomes of  
 5           and further recommendations for the program.

\* \* \* Downtown Tax Credits \* \* \*

Sec. 6. 32 V.S.A. chapter 151, subchapter 11J is amended to read:

Subchapter 11J. Vermont Downtown and  
 Village Center Tax Credit Program

§ 5930aa. DEFINITIONS

As used in this subchapter:

\* \* \*

(3) “Qualified code or technology improvement project” means a project:

(A)(i) ~~To~~ to install or improve platform lifts suitable for transporting personal mobility devices, elevators, sprinkler systems, and capital improvements in a qualified building, and the installations or improvements are required to bring the building into compliance with the statutory requirements and rules regarding fire prevention, life safety, and electrical, plumbing, heating, ventilating, or cooling systems and accessibility codes as determined by the ~~department of public safety~~. Department of Public Safety; or

1                   (ii) to install or improve data or network wiring, or heating,  
2 ventilating, or cooling systems in a qualified building, provided that a  
3 professional engineer licensed under 26 V.S.A. chapter 20 certifies as to the  
4 fact and cost of the installation or improvement;

5                   (B) ~~To~~ to abate lead paint conditions or other substances hazardous to  
6 human health or safety in a qualified building; or

7                   (C) ~~To~~ to redevelop a contaminated property in a designated  
8 downtown or village center under a plan approved by the Secretary of Natural  
9 Resources pursuant to 10 V.S.A. § 6615a.

10                  (4) “Qualified expenditures” means construction-related expenses of the  
11 taxpayer directly related to the project for which the tax credit is sought but  
12 excluding any expenses related to a private residence.

13                  (5) “Qualified façade improvement project” means the rehabilitation of  
14 the façade of a qualified building that contributes to the integrity of the  
15 designated downtown or designated village center. Façade improvements to  
16 qualified buildings listed, or eligible for listing, in the State or National  
17 Register of Historic Places must be consistent with Secretary of the Interior  
18 Standards, as determined by the Vermont Division for Historic Preservation.

19                  (6) “Qualified historic rehabilitation project” means an historic  
20 rehabilitation project that has received federal certification for the  
21 rehabilitation project.

1           (7) “Qualified project” means a qualified code or technology  
2           improvement, qualified façade improvement, qualified technology  
3           infrastructure project, or qualified historic rehabilitation project as defined by  
4           this subchapter.

5           (8) “State Board” means the Vermont Downtown Development Board  
6           established pursuant to 24 V.S.A. chapter 76A.

7           § 5930bb. ELIGIBILITY AND ADMINISTRATION

8           (a) Qualified applicants may apply to the State Board to obtain the tax  
9           credits provided by this subchapter for ~~qualified code improvement, façade~~  
10          ~~improvement, or historic rehabilitation projects~~ a qualified project at any time  
11          before one year after completion of the qualified project.

12          (b) To qualify for any of the tax credits under this subchapter, expenditures  
13          for the qualified project must exceed \$5,000.00.

14          (c) Application shall be made in accordance with the guidelines set by the  
15          State Board.

16          (d) Notwithstanding any other provision of this subchapter, qualified  
17          applicants may apply to the State Board at any time prior to June 30, 2013 to  
18          obtain a tax credit not otherwise available under subsections 5930cc(a)-(c) of  
19          this title of 10 percent of qualified expenditures resulting from damage caused  
20          by a federally declared disaster in Vermont in 2011. The credit shall only be  
21          claimed against the taxpayer’s State individual income tax under section 5822

1 of this title. To the extent that any allocated tax credit exceeds the taxpayer's  
2 tax liability for the first tax year in which the qualified project is completed,  
3 the taxpayer shall receive a refund equal to the unused portion of the tax credit.  
4 If within two years after the date of the credit allocation no claim for a tax  
5 credit or refund has been filed, the tax credit allocation shall be rescinded and  
6 recaptured pursuant to subdivision 5930ee(6) of this title. The total amount of  
7 tax credits available under this subsection shall not be more than \$500,000.00  
8 and shall not be subject to the limitations contained in subdivision 5930ee(2)  
9 of this subchapter.

10 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

11 CREDITS

12 (a) Historic rehabilitation tax credit. The qualified applicant of a qualified  
13 historic rehabilitation project shall be entitled, upon the approval of the State  
14 Board, to claim against the taxpayer's ~~state~~ State individual income tax,  
15 corporate income tax, or bank franchise or insurance premiums tax liability a  
16 credit of 10 percent of qualified rehabilitation expenditures as defined in the  
17 Internal Revenue Code, 26 U.S.C. § 47(c), properly chargeable to the federally  
18 certified rehabilitation.

19 (b) Façade improvement tax credit. The qualified applicant of a qualified  
20 façade improvement project shall be entitled, upon the approval of the State  
21 Board, to claim against the taxpayer's State individual income tax, ~~state~~ State

1 corporate income tax, or bank franchise or insurance premiums tax liability a  
2 credit of 25 percent of qualified expenditures up to a maximum tax credit of  
3 \$25,000.00.

4 (c) Code improvement tax credit. The qualified applicant of a qualified  
5 code or technology improvement project shall be entitled, upon the approval of  
6 the State Board, to claim against the taxpayer's State individual income tax,  
7 State corporate income tax, or bank franchise or insurance premiums tax  
8 liability a credit of 50 percent of qualified expenditures up to a maximum tax  
9 credit of \$12,000.00 for installation or improvement of a platform lift, a  
10 maximum tax credit of \$50,000.00 for installation or improvement of an  
11 elevator, a maximum tax credit of \$50,000.00 for installation or improvement  
12 of a sprinkler system, a maximum tax credit of \$30,000.00 for the combined  
13 costs of installation or improvement of data or network wiring or a heating,  
14 ventilating, or cooling system, and a maximum tax credit of \$25,000.00 for the  
15 combined costs of all other qualified code improvements.

16 \* \* \*

17 \* \* \* Electricity Rates for Businesses \* \* \*

18 Sec. 7. 30 V.S.A. § 218e is added to read:

19 § 218e. BUSINESS ELECTRICITY RATES; POLICY; INVESTIGATION

20 (a) Policy and intent. It is the policy of the State of Vermont to ~~consider~~  
21 ~~and prioritize~~ give equal priority to the retention and recruitment of

1 manufacturing and other high value businesses in the determination of when  
2 determining orders, rules, and other decisions affecting the cost and reliability  
3 of electricity and other fuels. The intent of this policy is:

4 (1) to encourage recruitment and retention of employers providing high  
5 quality jobs and related economic investment and to support the State’s  
6 economic welfare; and

7 (2) to seek appropriate balance between this policy and other policy  
8 goals and criteria established in this title.

9 (b) The Commissioner of Public Service and the Secretary of Commerce  
10 and Community Development, in consultation with the Public Service Board, a  
11 private organization that represents the interests of manufacturers Associated  
12 Industries of Vermont, a cooperative electric company, Efficiency Vermont, a  
13 shareholder-owned utility, VPPSA, a municipal utility that is not a member of  
14 VPPSA, and VELCO, shall conduct an investigation of how best to advance  
15 the public good through consideration of the competitiveness of Vermont’s  
16 industrial or manufacturing businesses with regard to electricity costs. As used  
17 in this section, “industrial or manufacturing business” means a business  
18 engaged in one or more of the activities classified under North American  
19 Industry Classification System (NAICS) Sector 31-33.

20 (c) In conducting the investigation required by this section, the  
21 Commissioner and Secretary shall consider:

1           (1) how best to incorporate into rate design proceedings the impact of  
2           electricity costs on business competitiveness and the identification of the costs  
3           of service incurred by businesses;

4           (2) with regard to the energy efficiency programs established under  
5           section 209 of this title, potential changes to their delivery, funding, financing,  
6           and participation requirements;

7           (3) the history and outcome of any evaluations of the Energy Savings  
8           Account or Customer Credit programs, as well as best practices for customer  
9           self-directed energy efficiency programs;

10           (4) the history and outcome of any evaluations of retail choice programs  
11           or policies, as relate to business competitiveness, that have been undertaken in  
12           Vermont and in other jurisdictions;

13           (5) any other programs or policies the Board Commissioner and the  
14           Secretary deem relevant; and

15           (6) whether and to what extent any programs or policies considered by  
16           the Board Commissioner and the Secretary under this section would impose  
17           cost shifts onto other customers, result in stranded costs (costs that cannot be  
18           recovered by a regulated utility due to a change in regulatory structure or  
19           policy), or conflict with renewable energy requirements in Vermont and, if so,  
20           whether such programs or policies would nonetheless promote the public good;



1           (7) whether and to what extent costs have shifted to residential and  
2           business ratepayers following the loss of large utility users, and potential  
3           scenarios for additional cost shifts of this type if the State continues to lose  
4           large utility users; and

5           (8) the cost shift to residential and business ratepayers when a large  
6           utility user undertakes efficiency measures and thereby reduces its share of  
7           fixed utility costs.

8           (d) In conducting the investigation required by this section, the  
9           Commissioner and Secretary shall provide the following persons and entities  
10           an opportunity for written and oral comments:

11           (1) consumer and business advocacy groups;

12           (2) regional development corporations and regional planning  
13           commissions; and

14           (3) any other person or entity as determined by the Commissioner and  
15           Secretary.

16           (e) On or before December 15, 2014, the Commissioner and Secretary shall  
17           provide a status report to the General Assembly of its findings and  
18           recommendations regarding regulatory or statutory changes that would reduce  
19           energy costs for Vermont businesses and promote the public good. On or  
20           before December 15, 2015, the Commissioner and Secretary shall provide a  
21           final report to the General Assembly of such findings and recommendations.

\* \* \* Domestic Export Program \* \* \*

1  
2       Sec. 8. DOMESTIC MARKET ACCESS PROGRAM FOR VERMONT  
3                AGRICULTURE AND FOREST PRODUCTS

4       (a) The Secretary of Agriculture, Food and Markets, in collaboration with  
5       the Agency of Commerce and Community Development and the Chief  
6       Marketing Officer, shall create a Domestic Export Program Pilot Project within  
7       the “Made in Vermont” designation program, the purpose of which shall be to:

8               (1) connect Vermont producers with brokers, buyers, and distributors in  
9       other U.S. state and regional markets,

10              (2) provide technical and marketing assistance to Vermont producers to  
11       convert these connections into increased sales and sustainable commercial  
12       relationships; and

13              (3) provide one-time matching grants of up to \$2,000.00 per business to  
14       attend trade shows and similar events to expand producers’ market presence in  
15       other U.S. states.

16       (b) There is appropriated in Fiscal Year 2015 from the General Fund to the  
17       Agency of Agriculture, Food and Markets the amount of \$75,000.00 to  
18       implement the provisions of this section.

19       (c) The Secretary shall collect data on the activities and outcomes of the  
20       pilot project authorized under this section and shall report his or her findings  
21       and recommendations for further action on or before January 15, 2015, to the

1 House Committees on Agriculture and on Commerce and Economic  
2 Development and to the Senate Committees on Agriculture and on Economic  
3 Development, Housing and General Affairs.

4 \* \* \* Criminal Penalties for Computer Crimes \* \* \*

5 Sec. 9. 13 V.S.A. chapter 87 is amended to read:

6 CHAPTER 87. COMPUTER CRIMES

7 \* \* \*

8 § 4104. ALTERATION, DAMAGE, OR INTERFERENCE

9 (a) A person shall not intentionally and without lawful authority, alter,  
10 damage, or interfere with the operation of any computer, computer system,  
11 computer network, computer software, computer program, or data contained in  
12 such computer, computer system, computer program, or computer network.

13 (b) Penalties. A person convicted of violating this section shall be:

14 (1) if the damage or loss does not exceed \$500.00 for a first offense,  
15 imprisoned not more than one year or fined not more than ~~\$500.00~~ \$5,000.00,  
16 or both;

17 (2) if the damage or loss does not exceed \$500.00 for a second or  
18 subsequent offense, imprisoned not more than two years or fined not more than  
19 ~~\$1,000.00~~ \$10,000.00, or both; or

20 (3) if the damage or loss exceeds \$500.00, imprisoned not more than  
21 10 years or fined not more than ~~\$10,000.00~~ \$25,000.00, or both.

1 § 4105. THEFT OR DESTRUCTION

2 (a)(1) A person shall not intentionally and without claim of right deprive  
3 the owner of possession, take, transfer, copy, conceal, or retain possession of,  
4 or intentionally and without lawful authority, destroy any computer system,  
5 computer network, computer software, computer program, or data contained in  
6 such computer, computer system, computer program, or computer network.

7 (2) Copying a commercially available computer program or computer  
8 software is not a crime under this section, provided that the computer program  
9 and computer software has a retail value of \$500.00 or less and is not copied  
10 for resale.

11 (b) Penalties. A person convicted of violating this section shall be:

12 (1) if the damage or loss does not exceed \$500.00 for a first offense,  
13 imprisoned not more than one year or fined not more than ~~\$500.00~~ \$5,000.00,  
14 or both;

15 (2) if the damage or loss does not exceed \$500.00 for a second or  
16 subsequent offense, imprisoned not more than two years or fined not more than  
17 ~~\$1,000.00~~ \$10,000.00, or both; or

18 (3) if the damage or loss exceeds \$500.00, imprisoned not more than  
19 10 years or fined not more than ~~\$10,000.00~~ \$25,000.00, or both.

20 § 4106. CIVIL LIABILITY

1 A person damaged as a result of a violation of this chapter may bring a civil  
2 action against the violator for damages, costs and fees including reasonable  
3 attorney's fees, and such other relief as the court deems appropriate.

4 \* \* \*

5 \* \* \* Statute of Limitations to Commence Action

6 for Misappropriation of Trade Secrets \* \* \*

7 Sec. 10. 12 V.S.A. § 523 is amended to read:

8 § 523. TRADE SECRETS

9 An action for misappropriation of trade secrets under 9 V.S.A. chapter 143  
10 ~~of Title 9~~ shall be commenced within three years after the cause of action  
11 accrues, and not after. The cause of action shall be deemed to accrue as of the  
12 date the misappropriation was discovered or reasonably should have been  
13 discovered.

14 \* \* \* Protection of Trade Secrets \* \* \*

15 Sec. 11. 9 V.S.A. chapter 143 is amended to read:

16 CHAPTER 143. TRADE SECRETS

17 § 4601. DEFINITIONS

18 As used in this chapter:

19 (1) “Improper means” includes theft, bribery, misrepresentation, breach  
20 or inducement of a breach of a duty to maintain secrecy, or espionage through  
21 electronic or other means.

1           (2) “Misappropriation” means:

2                   (A) acquisition of a trade secret of another by a person who knows or  
3 has reason to know that the trade secret was acquired by improper means; or

4                   (B) disclosure or use of a trade secret of another without express or  
5 implied consent by a person who:

6                           (i) used improper means to acquire knowledge of the trade  
7 secret; or

8                           (ii) at the time of disclosure or use, knew or had reason to know  
9 that his or her knowledge of the trade secret was:

10                                   (I) derived from or through a person who had utilized improper  
11 means to acquire it;

12                                   (II) acquired under circumstances giving rise to a duty to  
13 maintain its secrecy or limit its use; or

14                                   (III) derived from or through a person who owed a duty to the  
15 person seeking relief to maintain its secrecy or limit its use; or

16                                   (iii) before a material change of his or her position, knew or had  
17 reason to know that it was a trade secret and that knowledge of it had been  
18 acquired by accident or mistake.

19           (3) “Trade secret” means information, including a formula, pattern,  
20 compilation, program, device, method, technique, or process, that:

1           (A) derives independent economic value, actual or potential, from  
2           not being generally known to, and not being readily ascertainable by proper  
3           means by, other persons who can obtain economic value from its disclosure or  
4           use; and

5           (B) is the subject of efforts that are reasonable under the  
6           circumstances to maintain its secrecy.

7           § 4602. INJUNCTIVE RELIEF

8           (a) ~~Actual~~ A court may enjoin actual or threatened misappropriation ~~may~~  
9           ~~be enjoined~~ of a trade secret. Upon application to the court, an injunction shall  
10           be terminated when the trade secret has ceased to exist, but the injunction may  
11           be continued for an additional reasonable period of time in order to eliminate  
12           commercial advantage that otherwise would be derived from the  
13           misappropriation.

14           (b) In exceptional circumstances, an injunction may condition future use  
15           upon payment of a reasonable royalty for no longer than the period of time for  
16           which use could have been prohibited. Exceptional circumstances include, ~~but~~  
17           ~~are not limited to~~, a material and prejudicial change of position prior to  
18           acquiring knowledge or reason to know of misappropriation that renders a  
19           prohibitive injunction inequitable.

20           (c) In appropriate circumstances, affirmative acts to protect a trade secret  
21           may be compelled by court order.

1 § 4603. DAMAGES

2 (a)(1) Except to the extent that a material and prejudicial change of position  
3 prior to acquiring knowledge or reason to know of misappropriation renders a  
4 monetary recovery inequitable, a complainant is entitled to recover damages  
5 for misappropriation.

6 (2) Damages can include both the actual loss caused by  
7 misappropriation and the unjust enrichment caused by misappropriation that is  
8 not taken into account in computing actual loss.

9 (3) In lieu of damages measured by any other methods, the damages  
10 caused by misappropriation may be measured by imposition of liability for a  
11 reasonable royalty for a misappropriator's unauthorized disclosure or use of a  
12 trade secret.

13 (4) A court shall award a substantially prevailing party his or her costs  
14 and fees, including reasonable attorney's fees, in an action brought pursuant to  
15 this chapter.

16 (b) If malicious misappropriation exists, the court may award punitive  
17 damages.

18 § 4605. PRESERVATION OF SECRECY

19 In an action under this chapter, a court shall preserve the secrecy of an  
20 alleged trade secret by reasonable means, which may include granting  
21 protective orders in connection with discovery proceedings, holding in-camera



1 hearings, sealing the records of the action, and ordering any person involved in  
2 the litigation not to disclose an alleged trade secret without prior court  
3 approval.

4 § 4607. EFFECT ON OTHER LAW

5 (a) Except as provided in subsection (b) of this section, this chapter  
6 displaces conflicting tort, restitutionary, and any other law of this state  
7 providing civil remedies for misappropriation of a trade secret.

8 (b) This chapter does not affect:

9 (1) contractual remedies, whether or not based upon misappropriation of  
10 a trade secret;

11 (2) other civil remedies that are not based upon misappropriation of a  
12 trade secret; or

13 (3) criminal remedies, whether or not based upon misappropriation of a  
14 trade secret.

15 \* \* \*

16 \* \* \* Intellectual Property; Businesses and Government Contracting \* \* \*

17 Sec. 12. 3 V.S.A. § 346 is added to read:

18 § 346. STATE CONTRACTING; INTELLECTUAL PROPERTY,

19 SOFTWARE DESIGN, AND INFORMATION TECHNOLOGY

20 (a) The Secretary of Administration shall include in Administrative

21 Bulletin 3.5 a policy direction applicable to State procurement contracts that

1 include services for the development of software applications, computer  
2 coding, or other intellectual property, which would allow the State of Vermont  
3 to grant permission to the contractor to use or own the intellectual property  
4 created under the contract for the contractor's commercial purposes.

5 (b) The Secretary may recommend contract provisions that authorize the  
6 State to negotiate with a contractor to secure license terms and license fees,  
7 royalty rights, or other payment mechanism for the contractor's commercial  
8 use of intellectual property developed under a State contract.

9 (c) If the Secretary authorizes a contractor to own intellectual property  
10 developed under a State contract, the Secretary may recommend language to  
11 ensure the State retains a perpetual, irrevocable, royalty-free, and fully paid  
12 right to continue to use the intellectual property.

13 \* \* \* Department of Financial Regulation \* \* \*

14 Sec. 13. SMALL BUSINESS ACCESS TO CAPITAL

15 (a) Crowdfunding Study. The Department of Financial Regulation shall  
16 study the opportunities and limitations for crowdfunding to increase access to  
17 capital for Vermont's small businesses. On or before January 15, 2015, the  
18 Department shall report its findings and recommendations to the House  
19 Committee on Commerce and Economic Development and the Senate  
20 Committee on Economic Development, Housing and General Affairs.

1        (b) Small business issuer education and outreach. On or before January 15,  
2        2015, the Department of Financial Regulation shall conduct at least two  
3        educational events to inform the legal, small business, and investor  
4        communities and other interested parties, of opportunities for small businesses  
5        to access capital in Vermont, including, the Vermont Small Business Offering  
6        Exemption regulation and other securities registration exemptions.

7        (c) Vermont Small Business Offering Exemption. The Commissioner of  
8        Financial Regulation shall exercise his or her rulemaking authority under 9  
9        V.S.A. chapter 150 to review and revise the Vermont Small Business Offering  
10       Exemption and any other state securities exemptions, specifically including  
11       those designed to complement exemptions from federal registration  
12       requirements available under Regulation D, in order to recognize and reflect  
13       the evolution of capital markets and to ensure that Vermont remains current  
14       and competitive in its securities regulations, particularly with respect to access  
15       to capital for small businesses.

16       Sec. 14. STUDY; DEPARTMENT OF FINANCIAL REGULATION;  
17                LICENSED LENDER REQUIREMENTS; COMMERCIAL  
18                LENDERS

19        On or before January 15, 2015, the Department of Financial Regulation  
20        shall solicit public comment on, evaluate, and report to the House Committee  
21        on Commerce and Economic Development and to the Senate Committees on

1 Finance and on Economic Development, Housing and General Affairs any  
2 statutory and regulatory changes to the State's licensed lender requirements  
3 that are necessary to open private capital markets and remove unnecessary  
4 barriers to business investment in Vermont.

5 \* \* \* Licensed Lender Requirements; Exemption for De Minimis

6 Lending Activity \* \* \*

7 Sec. 15. 8 V.S.A. § 2201 is amended to read:

8 2201. LICENSES REQUIRED

9 (a) No person shall without first obtaining a license under this chapter from  
10 the ~~commissioner~~ Commissioner:

11 (1) engage in the business of making loans of money, credit, goods, or  
12 things in action and charge, contract for, or receive on any such loan interest, a  
13 finance charge, discount, or consideration ~~therefore~~ therefor;

14 (2) act as a mortgage broker;

15 (3) engage in the business of a mortgage loan originator; or

16 (4) act as a sales finance company.

17 (b) Each licensed mortgage loan originator must register with and maintain  
18 a valid unique identifier with the Nationwide Mortgage Licensing System and  
19 Registry and must be either:

1           (1) an employee actively employed at a licensed location of, and  
2 supervised and sponsored by, only one licensed lender or licensed mortgage  
3 broker operating in this ~~state~~ State;

4           (2) an individual sole proprietor who is also a licensed lender or licensed  
5 mortgage broker; or

6           (3) an employee engaged in loan modifications employed at a licensed  
7 location of, and supervised and sponsored by, only one third-party loan  
8 servicer licensed to operate in this ~~state~~ State pursuant to chapter 85 of this  
9 title. ~~For purposes of~~ As used in this subsection, “loan modification” means an  
10 adjustment or compromise of an existing residential mortgage loan. The term  
11 “loan modification” does not include a refinancing transaction.

12           (c) A person licensed pursuant to subdivision (a)(1) of this section may  
13 engage in mortgage brokerage and sales finance if such person informs the  
14 ~~commissioner~~ Commissioner in advance that he or she intends to engage in  
15 sales finance and mortgage brokerage. Such person shall inform the  
16 ~~commissioner~~ Commissioner of his or her intention on the original license  
17 application under section 2202 of this title, any renewal application under  
18 section 2209 of this title, or pursuant to section 2208 of this title, and shall pay  
19 the applicable fees required by subsection 2202(b) of this title for a mortgage  
20 broker license or sales finance company license.

- 1 (d) No lender license, mortgage broker license, or sales finance company  
2 license shall be required of:
- 3 (1) a ~~state~~ State agency, political subdivision, or other public  
4 instrumentality of the ~~state~~ State;
- 5 (2) a federal agency or other public instrumentality of the United States;
- 6 (3) a gas or electric utility subject to the jurisdiction of the ~~public service~~  
7 ~~board~~ Public Service Board engaging in energy conservation or safety loans;
- 8 (4) a depository institution or a financial institution as defined in  
9 8 V.S.A. § 11101(32);
- 10 (5) a pawnbroker;
- 11 (6) an insurance company;
- 12 (7) a seller of goods or services that finances the sale of such goods or  
13 services, other than a residential mortgage loan;
- 14 (8) any individual who offers or negotiates the terms of a residential  
15 mortgage loan secured by a dwelling that served as the individual's residence,  
16 including a vacation home, or inherited property that served as the deceased's  
17 dwelling, provided that the individual does not act as a mortgage loan  
18 originator or provide financing for such sales so frequently and under such  
19 circumstances that it constitutes a habitual activity and acting in a commercial  
20 context;

1           (9) lenders that conduct their lending activities, other than residential  
2 mortgage loan activities, through revolving loan funds, that are nonprofit  
3 organizations exempt from taxation under Section 501(c) of the Internal  
4 Revenue Code, 26 U.S.C. § 501(c), and that register with the ~~commissioner of~~  
5 ~~economic development~~ Commissioner of Economic Development under  
6 10 V.S.A. § 690a;

7           (10) persons who lend, other than residential mortgage loans, an  
8 aggregate of less than \$75,000.00 in any one year at rates of interest of no  
9 more than 12 percent per annum;

10           (11) a seller who, pursuant to 9 V.S.A. § 2355(f)(1)(D), includes the  
11 amount paid or to be paid by the seller to discharge a security interest, lien  
12 interest, or lease interest on the traded-in motor vehicle in a motor vehicle  
13 retail installment sales contract, provided that the contract is purchased,  
14 assigned, or otherwise acquired by a sales finance company licensed pursuant  
15 to this title to purchase motor vehicle retail installment sales contracts or a  
16 depository institution;

17           (12)(A) a person making an unsecured commercial loan, which loan is  
18 expressly subordinate to the prior payment of all senior indebtedness of the  
19 commercial borrower regardless of whether such senior indebtedness exists at  
20 the time of the loan or arises thereafter. The loan may or may not include the

1 right to convert all or a portion of the amount due on the loan to an equity  
2 interest in the commercial borrower;

3 (B) ~~for purposes of~~ as used in this subdivision (12), “senior  
4 indebtedness” means:

5 (i) all indebtedness of the commercial borrower for money  
6 borrowed from depository institutions, trust companies, insurance companies,  
7 and licensed lenders, and any guarantee thereof; and

8 (ii) any other indebtedness of the commercial borrower that the  
9 lender and the commercial borrower agree shall constitute senior indebtedness;

10 (13) nonprofit organizations established under testamentary instruments,  
11 exempt from taxation under Section 501(c)(3) of the Internal Revenue Code,  
12 26 U.S.C. § 501(c)(3), and which make loans for postsecondary educational  
13 costs to students and their parents, provided that the organizations provide  
14 annual accountings to the Probate Division of the Superior Court;

15 (14) any individual who offers or negotiates terms of a residential  
16 mortgage loan with or on behalf of an immediate family member of the  
17 individual;

18 (15) a housing finance agency;

19 (16) a person who makes no more than three mortgage loans in any  
20 consecutive three-year period beginning on or after July 1, 2011.

21 (e) No mortgage loan originator license shall be required of:



1           (1) Registered mortgage loan originators, when employed by and acting  
2 for an entity described in subdivision 2200(22) of this chapter.

3           (2) Any individual who offers or negotiates terms of a residential  
4 mortgage loan with or on behalf of an immediate family member of the  
5 individual.

6           (3) Any individual who offers or negotiates terms of a residential  
7 mortgage loan secured by a dwelling that served as the individual's residence,  
8 including a vacation home, or inherited property that served as the deceased's  
9 dwelling, provided that the individual does not act as a mortgage loan  
10 originator or provide financing for such sales so frequently and under such  
11 circumstances that it constitutes a habitual activity and acting in a commercial  
12 context.

13           (4) An individual who is an employee of a federal, ~~state~~ State, or local  
14 government agency, or an employee of a housing finance agency, who acts as a  
15 mortgage loan originator only pursuant to his or her official duties as an  
16 employee of the federal, ~~state~~ State, or local government agency or housing  
17 finance agency.

18           (5) A licensed attorney who negotiates the terms of a residential  
19 mortgage loan on behalf of a client as an ancillary matter to the attorney's  
20 representation of the client, unless the attorney is compensated by a lender, a  
21 mortgage broker, or other mortgage loan originator or by any agent of such

1 lender, mortgage broker, or other mortgage loan originator. To the extent an  
2 attorney licensed in this State undertakes activities that are covered by the  
3 definition of a mortgage loan originator, such activities do not constitute  
4 engaging in the business of a mortgage loan originator, provided that:

5 (A) such activities are considered by the State governing body  
6 responsible for regulating the practice of law to be part of the authorized  
7 practice of law within this State;

8 (B) such activities are carried out within an attorney-client  
9 relationship; and

10 (C) the attorney carries them out in compliance with all applicable  
11 laws, rules, ethics, and standards.

12 (6) A person who makes no more than three mortgage loans in any  
13 consecutive three-year period beginning on or after July 1, 2011

14 (f) If a person who offers or negotiates the terms of a mortgage loan is  
15 exempt from licensure pursuant to subdivision (d)(16) or (e)(6) of this section,  
16 there is a rebuttable presumption that he or she is not engaged in the business  
17 of making loans or being a mortgage loan originator.

18 (g) Independent contractor loan processors or underwriters. A loan  
19 processor or underwriter who is an independent contractor may not engage in  
20 the activities of a loan processor or underwriter unless such independent  
21 contractor loan processor or underwriter obtains and maintains a mortgage loan

1 originator license. Each independent contractor loan processor or underwriter  
2 licensed as a mortgage loan originator must have and maintain a valid unique  
3 identifier issued by the Nationwide Mortgage Licensing System and Registry.

4 ~~(g)~~(h) This chapter shall not apply to commercial loans of \$1,000,000.00 or  
5 more.

6 \* \* \* Vermont State Treasurer; Credit Facilities; 10% for Vermont \* \* \*

7 Sec. 16. 2013 Acts and Resolves No. 87, Sec. 8 is amended to read:

8 Sec. 8. INVESTMENT OF STATE MONIES

9 The Treasurer is hereby authorized to establish a ~~short-term~~ credit facility  
10 for the benefit of the Vermont Economic Development Authority in an amount  
11 of up to \$10,000,000.00.

12 Sec. 17. VERMONT STATE TREASURER; CREDIT FACILITY FOR  
13 LOCAL INVESTMENTS

14 (a) Notwithstanding any other provision of law to the contrary, the  
15 Vermont State Treasurer shall have the authority to establish a credit facility of  
16 up to 10 percent of the State's average cash balance on terms acceptable to the  
17 Treasurer for purposes established by the Treasurer's Local Investment  
18 Advisory Committee.

19 (b) The amount authorized in subsection (a) of this section shall include all  
20 credit facilities authorized by the General Assembly and established by the

1 Treasurer prior to or subsequent to the effective date of this section, and the  
2 renewal or replacement of those credit facilities.

3 Sec. 18. TREASURER'S LOCAL INVESTMENT ADVISORY  
4 COMMITTEE; REPORT

5 (a) Creation of committee. The Treasurer's Local Investment Advisory  
6 Committee (Advisory Committee) is established to advise the Treasurer on  
7 funding priorities and address other mechanisms to increase local investment.

8 (b) Membership.

9 (1) The Advisory Committee shall be composed of six members as  
10 follows:

11 (A) the State Treasurer or designee;

12 (B) the Chief Executive Officer of the Vermont Economic  
13 Development Authority or designee;

14 (C) the Chief Executive Officer of the Vermont Student Assistance  
15 Corporation or designee;

16 (D) the Executive Director of the Vermont Housing Finance Agency  
17 or designee;

18 (E) the Director of the Municipal Bond Bank or designee; and

19 (F) the Director of Efficiency Vermont or designee.

20 (2) The State Treasurer shall be the Chair of the Advisory Committee  
21 and shall appoint a vice chair and secretary. The appointed members of the

1 Advisory Committee shall be appointed for terms of six years and shall serve  
2 until their successors are appointed and qualified.

3 (c) Powers and duties. The Advisory Committee shall:

4 (1) meet regularly to review and make recommendations to the State  
5 Treasurer on funding priorities and using other mechanisms to increase local  
6 investment in the State of Vermont;

7 (2) invite regularly State organizations and citizens groups to Advisory  
8 Committee meetings to present information on needs for local investment,  
9 capital gaps, and proposals for financing; and

10 (3) consult with constituents and review feedback on changes and needs  
11 in the local and State investment and financing environments.

12 (d) Meetings. The Advisory Committee shall meet no more than six times  
13 per calendar year. The meetings shall be convened by the State Treasurer.

14 (e) Report. On or before January 15, 2015, and annually thereafter, the  
15 Advisory Committee shall submit a report to the Senate Committees on  
16 Finance and on Government Operations and the House Committees on Ways  
17 and Means and on Government Operations. The report shall include the  
18 following:

19 (1) the amount of the subsidies associated with lending through each  
20 credit facility authorized by the General Assembly and established by the  
21 Treasurer;

- 1           (2) a description of the Advisory Committee’s activities; and  
2           (3) any information gathered by the Advisory Committee on the State’s  
3           unmet capital needs, and other opportunities for State support for local  
4           investment and the community.

- 5           (f) It is the intent of the General Assembly that the Advisory Committee  
6           report described in subsection (e) of this section that is due on or before  
7           January 15, 2015 shall include a recommendation on whether to grant statutory  
8           authority to the Vermont Economic Development Authority to engage in  
9           banking activities.

10       Sec. 9. 9 V.S.A. § 2481w is amended to read:

11       § 2481W. UNLICENSED LOAN TRANSACTIONS

12       (a) In this subchapter:

13           (1) "Financial account" means a checking, savings, share, stored value,  
14       prepaid, payroll card, or other depository account.

15           (2) "Lender" means a person engaged in the business of making loans of  
16       money, credit, goods, or things in action and charging, contracting for, or  
17       receiving on any such loan interest, a finance charge, a discount, or  
18       consideration.

19           (3) "Process" or "processing" includes printing a check, draft, or other  
20       form of negotiable instrument drawn on or debited against a consumer's  
21       financial account, formatting or transferring data for use in connection with the

1 debiting of a consumer's financial account by means of such an instrument or  
2 an electronic funds transfer, or arranging for such services to be provided to a  
3 lender.

4 (4) "Processor" means a person who engages in processing, as defined in  
5 subdivision (3) of this subsection. In this section "processor" does not include  
6 an interbank clearinghouse.

7 (5) "Interbank clearinghouse" means a person that operates an exchange  
8 of automated clearinghouse items, checks, or check images solely between  
9 insured depository institutions.

10 (b) It is an unfair and deceptive act and practice in commerce for a lender  
11 directly or through an agent to solicit or make a loan to a consumer by any  
12 means unless the lender is in compliance with all provisions of 8 V.S.A.  
13 chapter 73 or is otherwise exempt from the requirements of 8 V.S.A. chapter  
14 73.

15 (c) It is an unfair and deceptive act and practice in commerce for a  
16 processor, other than a federally insured depository institution, to process a  
17 check, draft, other form of negotiable instrument, or an electronic funds  
18 transfer from a consumer's financial account in connection with a loan solicited  
19 or made by any means to a consumer unless the lender is in compliance with  
20 all provisions of 8 V.S.A. chapter 73 or is otherwise exempt from the  
21 requirements of 8 V.S.A. chapter 73.

1 (d) It is an unfair and deceptive act and practice in commerce for any  
2 person, including the lender's financial institution as defined in 8 V.S.A. §  
3 10202(5), but not including the consumer's financial institution as defined in 8  
4 V.S.A. § 10202(5) or an interbank clearinghouse as defined in subsection (a) of  
5 this section, to provide substantial assistance to a lender or processor when the  
6 person or the person's authorized agent receives notice from a regulatory, law  
7 enforcement, or similar governmental authority, or knows from its normal  
8 monitoring and compliance systems, or consciously avoids knowing that the  
9 lender or processor is in violation of subsection (b) or (c) of this section, or is  
10 engaging in an unfair or deceptive act or practice in commerce.

11 Sec. 20. [Reserved.]

12 Sec. 21. JFO ACCD DEMOGRAPHIC STUDY

13 The Legislative Joint Fiscal Office, in coordination with the Agency of  
14 Commerce and Community Development, shall conduct a study of  
15 demographic profiles, trends, and projections for the northeast kingdom of  
16 Vermont The Agency of Commerce and Community Development, with  
17 consultation and review by the legislative economist and the Joint Fiscal  
18 Office, shall conduct an economic impact analysis, including study of  
19 demographic and infrastructure impacts associated with recently announced  
20 development projects in the Northeast Kingdom of Vermont, and shall submit  
21 its findings to the House Committee on Commerce and Community



1 Development, the Senate Committee on Economic Development, Housing and  
2 General Affairs, and the Joint Fiscal Committee on or before December 1,  
3 2014.

4 \* \* \* Tourism Funding; Study \* \* \*

5 Sec. 22. TOURISM FUNDING; PILOT PROJECT STUDY

6 On or before January 15, 2015, the Secretary of Commerce and Community  
7 Development shall submit to the House Committee on Commerce and  
8 Economic Development and the Senate Committee on Economic  
9 Development, Housing and General Affairs a report that analyzes the results of  
10 the performance-based funding pilot project for the Department of Tourism  
11 and Marketing and recommends appropriate legislative or administrative  
12 changes to the funding mechanism for tourism and marketing programs.

13 \* \* \* Land Use; Housing; Industrial Development \* \* \*

14 Sec. 23. 10 V.S.A. § 238 is added to read:

15 § 238. AVAILABILITY OF LOANS AND ASSISTANCE FOR

16 INDUSTRIAL PARKS

17 Notwithstanding any provision of this chapter to the contrary, the developer  
18 of a project in an industrial park permitted under chapter 151 of this title shall  
19 have access to the loans and assistance available to a local development  
20 corporation from the Vermont Economic Development Authority for the  
21 improvement of industrial parks under this subchapter.

1 Sec. 24. 10 V.S.A. § 6001(35) is added to read:

2 (35) “Industrial park” means an area of land permitted under this chapter  
3 that is planned, designed, and zoned as a location for one or more industrial  
4 buildings, that includes adequate access roads, utilities, water, sewer, and other  
5 services necessary for the uses of the industrial buildings, and includes no  
6 retail use except that which is incidental to an industrial use, and no office use  
7 except that which is incidental or secondary to an industrial use.

8 Sec. 25. REVIEW OF MASTER PLAN POLICY

9 On or before January 1, 2015, the Natural Resources Board shall review its  
10 master plan policy and commence the policy’s adoption as a rule. The  
11 proposed rule shall include provisions for efficient master plan permitting and  
12 master plan permit amendments for industrial parks. The Board shall consult  
13 with affected parties when developing the proposed rule.

14 \* \* \* Primary Agricultural Soils; Industrial Parks \* \* \*

15 Sec. 26. 10 V.S.A. § 6093(a)(4) is amended to read:

16 (4) Industrial parks.

17 (A) Notwithstanding any provision of this chapter to the contrary, a  
18 conversion of primary agricultural soils located in an industrial park ~~as defined~~  
19 ~~in subdivision 212(7) of this title and~~ permitted under this chapter and in  
20 existence as of January 1, 2006, shall be allowed to pay a mitigation fee  
21 computed according to the provisions of subdivision (1) of this subsection,

1 except that it shall be entitled to a ratio of 1:1, protected acres to acres of  
2 affected primary agricultural soil. If an industrial park is developed to the  
3 fullest extent before any expansion, this ratio shall apply to any contiguous  
4 expansion of such an industrial park that totals no more than 25 percent of the  
5 area of the park or no more than 10 acres, whichever is larger; provided any  
6 expansion based on percentage does not exceed 50 acres. Any expansion  
7 larger than that described in this subdivision shall be subject to the mitigation  
8 provisions of this subsection at ratios that depend upon the location of the  
9 expansion.

10 (B) In any application to a ~~district commission for expansion of~~  
11 District Commission to amend a permit for an existing industrial park, ~~compact~~  
12 ~~development patterns shall be encouraged that assure~~ the most efficient and  
13 full use of land ~~and the realization of maximum economic development~~  
14 ~~potential through appropriate densities~~ shall be allowed consistent with all  
15 applicable criteria of subsection 6086(a) of this title. Industrial park  
16 expansions and industrial park infill shall not be subject to requirements  
17 established in subdivision 6086(a)(9)(B)(iii) of this title, nor to requirements  
18 established in subdivision 6086(a)(9)(C)(iii).



1                    (dd) 50 or more, in a municipality with a population of  
2                    3,000 or more but less than 6,000;

3                    (ee) 25 or more, in a municipality with a population of less  
4                    than 3,000; and

5                    (ff) notwithstanding subdivisions (aa) through (ee) of this  
6                    subdivision (iv)(I), 10 or more if the construction involves the demolition of  
7                    one or more buildings that are listed on or eligible to be listed on the State or  
8                    National Register of Historic Places. However, demolition shall not be  
9                    considered to create jurisdiction under this subdivision if the Division for  
10                   Historic Preservation has determined the proposed demolition will have no  
11                   adverse effect; no adverse effect provided that specified conditions are met; or  
12                   will have an adverse effect but that adverse effect will be adequately mitigated.  
13                   Any imposed conditions shall be enforceable through a grant condition, deed  
14                   covenant, or other legally binding document.

15                   (II) The determination of jurisdiction over a priority housing  
16                   project shall count only the housing units included in that discrete project.

17                   (III) Housing units in a priority housing project shall not count  
18                   toward determining jurisdiction over any other project.

19                   \* \* \*

20                   ~~(B)(i) Smart Growth Jurisdictional Thresholds. Notwithstanding the~~  
21                   ~~provisions of subdivision (3)(A) of this section, if a project consists~~

1 ~~exclusively of mixed income housing or mixed use, or any combination~~  
2 ~~thereof, and is located entirely within a growth center designated pursuant to~~  
3 ~~24 V.S.A. 2793c or, entirely within a downtown development district~~  
4 ~~designated pursuant to 24 V.S.A. § 2793, “development” means:~~

5 ~~(I) Construction of mixed income housing with 200 or more~~  
6 ~~housing units or a mixed use project with 200 or more housing units, in a~~  
7 ~~municipality with a population of 15,000 or more.~~

8 ~~(II) Construction of mixed income housing with 100 or more~~  
9 ~~housing units or a mixed use project with 100 or more housing units, in a~~  
10 ~~municipality with a population of 10,000 or more but less than 15,000.~~

11 ~~(III) Construction of mixed income housing with 50 or more~~  
12 ~~housing units or a mixed use project with 50 or more housing units, in a~~  
13 ~~municipality with a population of 6,000 or more and less than 10,000.~~

14 ~~(IV) Construction of mixed income housing with 30 or more~~  
15 ~~housing units or a mixed use project with 30 or more housing units, in a~~  
16 ~~municipality with a population of 3,000 or more but less than 6,000.~~

17 ~~(V) Construction of mixed income housing with 25 or more~~  
18 ~~housing units or a mixed use project with 25 or more housing units, in a~~  
19 ~~municipality with a population of less than 3,000.~~

20 ~~(VI) Historic Buildings. Construction of 10 or more units of~~  
21 ~~mixed income housing or a mixed use project with 10 or more housing units~~

1 where ~~if~~ the construction involves the demolition of one or more buildings that  
2 are listed on or eligible to be listed on the State or National Register of Historic  
3 Places. ~~However, demolition shall not be considered to create jurisdiction~~  
4 ~~under this subdivision if the Division for Historic Preservation has determined~~  
5 ~~the proposed demolition will have: no adverse effect; no adverse effect~~  
6 ~~provided that specified conditions are met; or, will have an adverse effect, but~~  
7 ~~that adverse effect will be adequately mitigated. Any imposed conditions shall~~  
8 ~~be enforceable through a grant condition, deed covenant, or other legally~~  
9 ~~binding document.~~

10 (ii) ~~Mixed Income Housing Jurisdictional Thresholds.~~

11 Notwithstanding the provisions of subdivision (3)(A) of this section, if a  
12 project consists exclusively of mixed income housing and is located entirely  
13 within a Vermont neighborhood designated pursuant to 24 V.S.A. § 2793d or a  
14 neighborhood development area as defined in 24 V.S.A. § 2791(16),  
15 “development” means:

16 (I) ~~Construction of mixed income housing with 200 or more~~  
17 ~~housing units, in a municipality with a population of 15,000 or more.~~

18 (II) ~~Construction of mixed income housing with 100 or more~~  
19 ~~housing units, in a municipality with a population of 10,000 or more but less~~  
20 ~~than 15,000.~~

1                   ~~(III) Construction of mixed income housing with 50 or more~~  
2                   ~~housing units, in a municipality with a population of 6,000 or more and less~~  
3                   ~~than 10,000.~~

4                   ~~(IV) Construction of mixed income housing with 30 or more~~  
5                   ~~housing units, in a municipality with a population of 3,000 or more but less~~  
6                   ~~than 6,000.~~

7                   ~~(V) Construction of mixed income housing with 25 or more~~  
8                   ~~housing units, in a municipality with a population of less than 3,000.~~

9                   ~~(VI) Historic Buildings. Construction of 10 or more units of~~  
10                  ~~mixed income housing where the construction involves the demolition of one~~  
11                  ~~or more buildings that are listed on or eligible to be listed on the State or~~  
12                  ~~National Register of Historic Places. However, demolition shall not be~~  
13                  ~~considered to create jurisdiction under this subdivision if the Division for~~  
14                  ~~Historic Preservation has determined the proposed demolition will have: no~~  
15                  ~~adverse effect; no adverse effect provided that specified conditions are met; or~~  
16                  ~~will have an adverse effect, but that adverse effect will be adequately~~  
17                  ~~mitigated. Any imposed conditions shall be enforceable through a grant~~  
18                  ~~condition, deed covenant, or other legally binding document. [Repealed.]~~

19                  (C) For the purposes of determining jurisdiction under ~~subdivisions~~  
20                  subdivision (3)(A) ~~and (3)(B)~~ of this section, the following shall apply:



1                   (i) ~~Incentive for Growth Inside Designated Areas.~~

2                   ~~Notwithstanding subdivision (3)(A)(iv) of this section, housing units~~  
3                   ~~constructed by a person partially or completely outside a designated downtown~~  
4                   ~~development district, designated growth center, designated Vermont~~  
5                   ~~neighborhood, or designated neighborhood development area shall not be~~  
6                   ~~counted to determine jurisdiction over housing units constructed by that person~~  
7                   ~~entirely within a designated downtown development district, designated~~  
8                   ~~growth center, designated Vermont neighborhood, or designated neighborhood~~  
9                   ~~development area. [Repealed.]~~

10                  (ii) ~~Five-Year, Five-Mile Radius Jurisdiction Analysis. Within~~  
11                  ~~any continuous period of five years, housing units constructed by a person~~  
12                  ~~entirely within a designated downtown district, designated growth center,~~  
13                  ~~designated Vermont neighborhood, or designated neighborhood development~~  
14                  ~~area shall be counted together with housing units constructed by that person~~  
15                  ~~partially or completely outside a designated downtown development district,~~  
16                  ~~designated growth center, designated Vermont neighborhood, or designated~~  
17                  ~~neighborhood development area to determine jurisdiction over the housing~~  
18                  ~~units constructed by a person partially or completely outside the designated~~  
19                  ~~downtown development district, designated growth center, designated Vermont~~  
20                  ~~neighborhood, or designated neighborhood development area and within a~~

1 ~~five mile radius in accordance with subdivision (3)(A)(iv) of this section.~~

2 [Repealed.]

3 (iii) ~~Discrete Housing Projects in Designated Areas and Exclusive~~  
4 ~~Counting for Housing Units. Notwithstanding subdivisions (3)(A)(iv) and (19)~~  
5 ~~of this section, jurisdiction shall be determined exclusively by counting~~  
6 ~~housing units constructed by a person within a designated downtown~~  
7 ~~development district, designated growth center, designated Vermont~~  
8 ~~neighborhood, or designated neighborhood development area, provided that~~  
9 ~~the housing units are part of a discrete project located on a single tract or~~  
10 ~~multiple contiguous tracts of land. [Repealed.]~~

11 \* \* \*

12 (27) “Mixed income housing” means a housing project in which the  
13 following apply:

14 (A) Owner-occupied housing. At the option of the applicant,  
15 owner-occupied housing may be characterized by either of the following:

16 (i) at least 15 percent of the housing units have a purchase price  
17 which at the time of first sale does not exceed 85 percent of the new  
18 construction, targeted area purchase price limits established and published  
19 annually by the Vermont Housing Finance Agency; or

20 (ii) at least 20 percent of the housing units have a purchase price  
21 which at the time of first sale does not exceed 90 percent of the new

1 construction, targeted area purchase price limits established and published  
2 annually by the Vermont Housing Finance Agency;

3 (B) Affordable Rental Housing. At least 20 percent of the housing  
4 units that is are rented by the occupants whose gross annual household income  
5 does not exceed 60 percent of the county median income, or 60 percent of the  
6 standard metropolitan statistical area income if the municipality is located in  
7 such an area, as defined by the United States Department of Housing and  
8 Urban Development for use with the Housing Credit Program under Section  
9 42(g) of the Internal Revenue Code, and the total annual cost of the housing, as  
10 defined at Section 42(g)(2)(B), is not more than 30 percent of the gross annual  
11 household income as defined at Section 42(g)(2)(C), and with constitute  
12 affordable housing and have a duration of affordability of no less than 30  
13 20 years.

14 (28) “Mixed use” means construction of both mixed income housing  
15 and construction of space for any combination of retail, office, services,  
16 artisan, and recreational and community facilities, provided at least 40 percent  
17 of the gross floor area of the buildings involved is mixed income housing.

18 “Mixed use” does not include industrial use.

19 (29) “Affordable housing” means either of the following:

20 (A) Housing that is owned by its occupants whose gross annual  
21 household income does not exceed 80 percent of the county median income, or

1 80 percent of the standard metropolitan statistical area income if the  
2 municipality is located in such an area, as defined by the United States  
3 Department of Housing and Urban Development, and the total annual cost of  
4 the housing, including principal, interest, taxes, insurance, and condominium  
5 association fees, is not more than 30 percent of the gross annual household  
6 income.

7 (B) Housing that is rented by the occupants whose gross annual  
8 household income does not exceed 80 percent of the county median income, or  
9 80 percent of the standard metropolitan statistical area income if the  
10 municipality is located in such an area, as defined by the United States  
11 Department of Housing and Urban Development, and the total annual cost of  
12 the housing, including rent, utilities, and condominium association fees, is not  
13 more than 30 percent of the gross annual household income.

14 \* \* \*

15 (36) “Priority housing project” means a discrete project located on a  
16 single tract or multiple contiguous tracts of land that consists exclusively of:

17 (A) mixed income housing or mixed use, or any combination thereof,  
18 and is located entirely within a designated downtown development district,  
19 designated growth center, or designated village center that is also a designated  
20 neighborhood development area under 24 V.S.A. chapter 76A; or

1                   (B) mixed income housing and is located entirely within a designated  
2 Vermont neighborhood or designated neighborhood development area under  
3 24 V.S.A. chapter 76A.

4   \* \* \*

5   \* \* \* Workforce Education and Training \* \* \*

6                   Sec. 28. 10 V.S.A. chapter 22A is amended to read:

7                   CHAPTER 22A. WORKFORCE EDUCATION AND TRAINING

8                   § 540. WORKFORCE EDUCATION AND TRAINING LEADER

9                   The Commissioner of Labor shall be the leader of workforce education and  
10 training in the State, and shall have the authority and responsibility for the  
11 coordination of workforce education and training within State government,  
12 including the following duties:

13                   (1) Perform the following duties in consultation with the State  
14 Workforce Investment Board:

15                   (A) Advise the Governor on the establishment of an integrated  
16 system of workforce education and training for Vermont.

17                   (B) Create and maintain an inventory of all existing workforce  
18 education and training programs and activities in the State.

19                   (C) Use data to ensure that State workforce education and training  
20 activities are aligned with the needs of the available workforce, the current and

1 future job opportunities in the State, and the specific credentials needed to  
2 achieve employment in those jobs.

3 (D) Develop a State plan, as required by federal law, to ensure that  
4 workforce education and training programs and activities in the State serve  
5 Vermont citizens and businesses to the maximum extent possible.

6 (E) Ensure coordination and non-duplication of workforce education  
7 and training activities.

8 (F) Identify best practices and gaps in the delivery of workforce  
9 education and training programs.

10 (G) Design and implement criteria and performance measures for  
11 workforce education and training activities.

12 (H) Establish goals for the integrated workforce education and  
13 training system.

14 (2) Require from each business, training provider, or program that  
15 receives State funding to conduct workforce education and training a report  
16 that evaluates the results of the training. Each recipient shall submit its report  
17 on a schedule determined by the Commissioner and shall include at least the  
18 following information:

19 (A) name of the person who receives funding;

20 (B) amount of funding;

21 (C) activities and training provided;

1           (D) number of trainees and their general description;

2           (E) employment status of trainees

3           (F) future needs for resources.

4           (3) Review reports submitted by each recipient of workforce education  
5 and training funding.

6           (4) Issue an annual report to the Governor and the General Assembly on  
7 or before December 1 that includes a systematic evaluation of the  
8 accomplishments of the State workforce investment system and the  
9 performance of participating agencies and institutions.

10           (5) Coordinate public and private workforce programs to assure that  
11 information is easily accessible to students, employees, and employers, and  
12 that all information and necessary counseling is available through one contact.

13           (6) Facilitate effective communication between the business community  
14 and public and private educational institutions.

15       § 541. ~~WORKFORCE DEVELOPMENT COUNCIL; STATE WORKFORCE~~

16           ~~INVESTMENT BOARD; MEMBERS, TERMS~~

17           ~~(a) The Workforce education and training Council is created as the~~  
18 ~~successor to and the continuation of the Governor's Human Resources~~  
19 ~~Investment Council and shall be the State Workforce Investment Board under~~  
20 ~~Public Law 105-220, the Workforce Investment Act of 1998, and any~~  
21 ~~reauthorization of that act. The Council shall consist of the members required~~

1 under the federal act and the following: the President of the University of  
2 Vermont or designee; the Chancellor of the Vermont State Colleges or  
3 designee; the President of the Vermont Student Assistance corporation or  
4 designee; the President of the Association of Vermont Independent Colleges or  
5 designee; a representative of the Abenaki Self Help Organization; at least two  
6 representatives of labor appointed by the Governor in addition to the two  
7 required under the federal act, who shall be chosen from a list of names  
8 submitted by Vermont AFL-CIO, Vermont NEA, and the Vermont State  
9 Employees Association; one representative of the low income community  
10 appointed by the Governor; two members of the Senate appointed by the  
11 Senate Committee on Committees; and two members of the house appointed  
12 by the speaker. In addition, the Governor shall appoint enough other members  
13 who are representatives of business or employers so that one half plus one of  
14 the members of the council are representatives of business or employers. At  
15 least one third of those appointed by the Governor as representatives of  
16 business or employers shall be chosen from a list of names submitted by the  
17 regional technical centers. As used in this section, “representative of business”  
18 means a business owner, a chief executive operating officer, or other business  
19 executive, and “employer” means an individual with policy making or hiring  
20 authority, including a public school superintendent or school board member  
21 and representatives from the nonprofit, social services, and health sectors of



1 ~~the economy. If there is a dispute as to who is to represent an interest as~~  
2 ~~required under the federal law, the Governor shall decide who shall be the~~  
3 ~~member of the Council.~~

4 ~~(b) Appointed members, except legislative appointees, shall be appointed~~  
5 ~~for three year terms and serve at the pleasure of the Governor.~~

6 ~~(c) A vacancy shall be filled for the unexpired term in the same manner as~~  
7 ~~the initial appointment.~~

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

11 ~~(e) Legislative members shall be entitled to compensation and expenses as~~  
12 ~~provided in 2 V.S.A. § 406, and other members shall be entitled to~~  
13 ~~compensation and expenses as provided in 32 V.S.A. § 1010.~~

14 ~~(f) The Department of Labor shall provide the Council with administrative~~  
15 ~~support.~~

16 ~~(g) The Workforce education and training Council shall be subject to 1~~  
17 ~~V.S.A. chapter 5, subchapters 2 and 3, relating to public meetings and access~~  
18 ~~to public records.~~

19 ~~(h) [Repealed.]~~

20 ~~(i) The Workforce education and training Council shall:~~

1           ~~(1) Advise the Governor on the establishment of an integrated network~~  
2           ~~of workforce education and training for Vermont.~~

3           ~~(2) Coordinate planning and services for an integrated network of~~  
4           ~~workforce education and training and oversee its implementation at State and~~  
5           ~~regional levels.~~

6           ~~(3) Establish goals for and coordinate the State's workforce education~~  
7           ~~and training policies.~~

8           ~~(4) Speak for the workforce needs of employers.~~

9           ~~(5) Negotiate memoranda of understanding between the Council and~~  
10           ~~agencies and institutions involved in Vermont's integrated network of~~  
11           ~~workforce education and training in order to ensure that each is working to~~  
12           ~~achieve annual objectives developed by the Council.~~

13           ~~(6) Carry out the duties assigned to the State Workforce Investment~~  
14           ~~Board, as required for a single service delivery state, under P.L. 105-220, the~~  
15           ~~Workforce Investment Act of 1998, and any amendments that may be made to~~  
16           ~~it. [Repealed.]~~

17           § 541a. STATE WORKFORCE INVESTMENT BOARD

18           (a) Board established; duties. Pursuant to the requirements of 29 U.S.C.  
19           § 2821, the Governor shall establish a State Workforce Investment Board to  
20           assist the Governor in the execution of his or her duties under the Workforce

1 Investment Act of 1998 and to assist the Commissioner of Labor as specified  
2 in section 540 of this title.

3 (b) Additional duties; planning; process. In order to inform its  
4 decision-making and to provide effective assistance under subsection (a) of  
5 this section, the Board shall:

6 (1) Conduct an ongoing public engagement process throughout the State  
7 at which Vermonters have the opportunity to provide feedback and information  
8 concerning their workforce education and training needs.

9 (2) Maintain familiarity with the federal Comprehensive Economic  
10 Development Strategy (CEDS) and other economic development planning  
11 processes, and coordinate workforce and education activities in the State,  
12 including the development and implementation of the state plan required under  
13 the Workforce Investment Act of 1998, with economic development planning  
14 processes occurring in the State, as appropriate.

15 (c) Membership. The Board shall consist of the Governor and the  
16 following members who are appointed by the Governor and serve at his or her  
17 pleasure, unless otherwise indicated:

18 (1) two Members of the Vermont House of Representatives appointed  
19 by the Speaker of the House;

20 (2) two Members of the Vermont Senate appointed by the Senate  
21 Committee on Committees;

- 1           (3) the President of the University of Vermont or his or her designee;
- 2           (4) the Chancellor of the Vermont State Colleges or his or her designee;
- 3           (5) the President of the Vermont Student Assistance Corporation or his  
4 or her designee;
- 5           (6) a representative of an independent Vermont college or university;
- 6           (7) the Secretary of Education or his or her designee;
- 7           (8) a director of a regional technical center;
- 8           (9) a principal of a Vermont high school;
- 9           (10) two representatives of labor organizations who have been  
10 nominated by State labor federations;
- 11           (11) two representatives of individuals and organizations who have  
12 experience with respect to youth activities, as defined in 29 U.S.C. § 2801(52);
- 13           (12) two representatives of individuals and organizations who have  
14 experience in the delivery of workforce investment activities, as defined in  
15 29 U.S.C. § 2801(51);
- 16           (13) the lead State agency officials with responsibility for the programs  
17 and activities carried out by one-stop partners, as described in 29 U.S.C.  
18 § 2841(b), or if no official has that responsibility, a representative in the State  
19 with expertise relating to these programs and activities;
- 20           (14) the Commissioner of Economic Development;
- 21           (15) the Commissioner of Labor;

1           (16) the Secretary of Human Services or his or her designee;

2           (17) two individuals who have experience in, and can speak for, the  
3 training needs of underemployed and unemployed Vermonters; and

4           (18) a number of appointees sufficient to constitute a majority of the  
5 Board who:

6           (A) are owners, chief executives, or operating officers of businesses,  
7 and other business executives or employers with optimum policymaking or  
8 hiring authority;

9           (B) represent businesses with employment opportunities that reflect  
10 the employment opportunities of the State; and

11           (C) are appointed from among individuals nominated by State  
12 business organizations and business trade associations.

13           (d) Operation of Board.

14           (1) Member representation.

15           (A) Members of the State Board who represent organizations,  
16 agencies, or other entities shall be individuals with optimum policymaking  
17 authority within the organizations, agencies, or entities.

18           (B) The members of the Board shall represent diverse regions of the  
19 State, including urban, rural, and suburban areas.

1           (2) Chair. The Governor shall select a chair for the Board from among  
2           the business representatives appointed pursuant to subdivision (c)(18) of this  
3           section.

4           (3) Meetings. The Board shall meet at least three times annually and  
5           shall hold additional meetings upon call of the Chair.

6           (4) Work groups; task forces. The Chair, in consultation with the  
7           Commissioner of Labor, may:

8                   (A) assign one or more members to work groups to carry out the  
9                   work of the Board; and

10                   (B) appoint one or more members of the Board, or non-members of  
11                   the Board, or both, to one or more task forces for a discrete purpose and  
12                   duration.

13           (5) Quorum; meetings; voting.

14                   (A) A majority of the sitting members of the Board shall constitute a  
15                   quorum, and to be valid any action taken by the Board shall be authorized by a  
16                   majority of the members present and voting at any regular or special meeting at  
17                   which a quorum is present.

18                   (B) The Board may permit one or more members to participate in a  
19                   regular or special meeting by, or conduct the meeting through the use of, any  
20                   means of communication, including an electronic, telecommunications, and  
21                   video- or audio-conferencing conference telephone call, by which all members

1 participating may simultaneously or sequentially communicate with each other  
2 during the meeting. A member participating in a meeting by this means is  
3 deemed to be present in person at the meeting.

4 (C) The Board shall deliver electronically the minutes for each of its  
5 meetings to each member of the Board and to the Chairs of the House  
6 Committees on Education and on Commerce and Economic Development, and  
7 to the Senate Committees on Education and on Economic Development,  
8 Housing and General Affairs.

9 (6) Reimbursement.

10 (A) Legislative members of the Board shall be entitled to  
11 compensation and expenses as provided in 2 V.S.A. § 406.

12 (B) Unless otherwise compensated by his or her employer for  
13 performance of his or her duties on the Board, a nonlegislative member of the  
14 Board shall be eligible for per diem compensation of \$50.00 per day for  
15 attendance at a meeting of the Board, and for reimbursement of his or her  
16 necessary expenses, which shall be paid by the Department of Labor solely  
17 from funds available for that purpose under the Workforce Investment Act  
18 of 1998.

19 (7) Conflict of interest. A member of the Board shall not:

20 (A) vote on a matter under consideration by the Board:

1           (i) regarding the provision of services by the member, or by an  
2           entity that the member represents; or

3           (ii) that would provide direct financial benefit to the member or  
4           the immediate family of the member; or

5           (B) engage in any activity that the Governor determines constitutes a  
6           conflict of interest as specified in the State Plan required under 29 U.S.C.  
7           § 2822.

8           (8) Sunshine provision. The Board shall make available to the public,  
9           on a regular basis through open meetings, information regarding the activities  
10           of the Board, including information regarding the State Plan adopted  
11           pursuant to 29 U.S.C. § 2822 and prior to submission of the State Plan to the  
12           U.S. Secretary of Labor, information regarding membership, and, on request,  
13           minutes of formal meetings of the Board.

14           § 541b. WORKFORCE EDUCATION AND TRAINING; DUTIES OF  
15           OTHER STATE AGENCIES, DEPARTMENTS, AND PRIVATE  
16           PARTNERS

17           (a) To ensure the Workforce Investment Board and the Commissioner of  
18           Labor are able to fully perform their duties under this chapter, each agency and  
19           department within State government, and each person who receives funding  
20           from the State, shall comply within a reasonable period of time with a request



1 for data and information made by the Board or the Commissioner in  
2 furtherance of their duties under this chapter.

3 (b) The Agency of Commerce and Community Development shall  
4 coordinate its work in adopting a statewide economic development plan with  
5 the activities of the Board and the Commissioner of Labor, including the  
6 development and implementation of the state plan for workforce education and  
7 training required under the Workforce Investment Act of 1998.

8 § 542. REGIONAL WORKFORCE ~~DEVELOPMENT~~ EDUCATION AND  
9 TRAINING

10 (a) The Commissioner of Labor, in coordination with the Secretary of  
11 Commerce and Community Development, and in consultation with the  
12 ~~Workforce education and training Council~~ Investment Board, is authorized to  
13 issue performance grants to one or more persons to perform workforce  
14 education and training activities in a region.

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

18 (c) The Commissioner of Labor and the Secretary of Commerce and  
19 Community Development shall jointly develop a grant process and eligibility  
20 criteria, as well as an outreach process for notifying potential participants of

1 the grant program. The Commissioner of Labor shall have final authority to  
2 approve each grant.

3 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT  
4 PROGRAMS

5 (a) Creation. There is created a Workforce Education and Training Fund in  
6 the ~~department of labor~~ Department of Labor to be managed in accordance  
7 with 32 V.S.A. chapter 7, subchapter 5.

8 (b) Purposes. The Fund shall be used exclusively for the following ~~two~~  
9 purposes:

10 (1) training ~~to improve the skills of~~ for Vermont workers, including  
11 those who are unemployed, underemployed, or in transition from one job or  
12 career to another; and

13 (2) internships to provide students with work-based learning  
14 opportunities with Vermont employers; and

15 (3) apprenticeship-related instruction.

16 (c) Administrative Support. Administrative support for the grant award  
17 process shall be provided by the ~~Departments~~ Department of Labor ~~and of~~  
18 ~~Economic Development~~. Technical, ~~administrative, financial, and other~~  
19 support shall be provided whenever appropriate and reasonable by the  
20 Workforce ~~Development Council~~ Investment Board and all other public  
21 entities involved in ~~Economic Development, workforce development and~~

1 ~~training, and education~~ economic development and workforce education and  
2 training.

3 (d) Eligible Activities. Awards from the Fund shall be made to employers  
4 and entities that offer programs that require collaboration between employees  
5 and businesses, including private, public, and nonprofit entities, institutions of  
6 higher education, high schools, technical centers, and workforce education and  
7 training programs. Funding shall be for training programs and student  
8 internship programs that offer education, training, apprenticeship, mentoring,  
9 or work-based learning activities, or any combination; that employ innovative  
10 intensive student-oriented competency-based or collaborative approaches to  
11 workforce education and training; and that link workforce education and  
12 economic development strategies. Training programs or projects that  
13 demonstrate actual increased income and economic opportunity for employees  
14 and employers may be funded for more than one year. Student internships and  
15 training programs that involve the same employer may be funded multiple  
16 times, provided that new students participate.

17 (e) ~~Award Criteria and Process. The Workforce education and training~~  
18 ~~Council, in consultation with the Commissioners of Labor and of Economic~~  
19 ~~Development and the Secretary of Education, shall develop criteria consistent~~  
20 ~~with subsection (d) of this section for making awards under this section. The~~

1 ~~Commissioners of Labor and of Economic Development and the Secretary of~~  
2 ~~Education, shall develop a process for making awards. [Repealed].~~

3 (f) Awards. ~~Based on guidelines set by the council, the~~ The Commissioner  
4 ~~of labor, and the Secretary of Education~~ Labor, in consultation with the  
5 Workforce Investment Board, shall jointly develop award criteria and may  
6 make awards to the following:

7 (1) Training Programs.

8 (A) Public, private, and nonprofit entities for existing or new  
9 ~~innovative training programs. Awards may be made to programs that retrain~~  
10 ~~incumbent workers~~ that enhance the skills of Vermont workers and:

11 (i) train workers for trades or occupations that are expected to lead  
12 to jobs paying at least 200 percent of the current minimum wage or at least 150  
13 percent if benefits are included; this requirement may be waived when  
14 warranted based on regional or occupational wages or economic reality;

15 (ii) do not duplicate, supplant, or replace other available programs  
16 funded with public money;

17 (iii) articulate clear goals and demonstrate readily accountable,  
18 reportable, and measurable results; and

19 (iv) demonstrate an integrated connection between training and  
20 specific new or continuing employment opportunities.

1            (B) Awards under this subdivision shall be made to programs or  
2 projects that ~~do all the following:~~

3            ~~(A)(i)~~ offer innovative programs of intensive, student-centric,  
4 competency-based education, training, apprenticeship, mentoring, or any  
5 combination of these;

6            ~~(B)(ii)~~ address the needs of workers who are unemployed,  
7 underemployed, or are at risk of becoming unemployed due to changing  
8 workplace demands by increasing productivity and developing new skills for  
9 incumbent workers; or

10           (iii) in the discretion of the Commissioner, otherwise serve the  
11 purposes of this chapter.

12           ~~(C) train workers for trades or occupations that are expected to lead~~  
13 ~~to jobs paying at least 200 percent of the current minimum wage or at least 150~~  
14 ~~percent if benefits are included; this requirement may be waived when~~  
15 ~~warranted based on regional or occupational wages or economic reality;~~

16           ~~(D) do not duplicate, supplant, or replace other available programs~~  
17 ~~funded with public money;~~

18           ~~(E) articulate clear goals and demonstrate readily accountable,~~  
19 ~~reportable, and measurable results;~~

20           ~~(F) demonstrate an integrated connection between training and~~  
21 ~~specific employment opportunities, including an effort and consideration by~~

1 ~~participating employers to hire those who successfully complete a training~~  
2 ~~program; and~~

3 (2) Vermont Career Internship Program. Funding for eligible internship  
4 programs and activities under the Vermont Career Internship Program  
5 established in section 544 of this title.

6 (3) Apprenticeship Program. The Vermont Apprenticeship Program  
7 established under 21 V.S.A. chapter 13. Awards under this subdivision may be  
8 used to fund the cost of apprenticeship-related instruction provided by the  
9 Department of Labor.

10 (g) [Repealed.]

11 § 544. VERMONT CAREER INTERNSHIP PROGRAM

12 (a)(1) The Department of Labor, in consultation with the Agency of  
13 Education, shall develop and implement a statewide Vermont Career  
14 Internship Program for Vermonters who are in high school or in college and  
15 for those who are recent graduates of 24 months or less.

16 (2) The Department of Labor shall coordinate and provide funding to  
17 public and private entities for internship programs that match Vermont  
18 employers with students from public and private secondary schools, regional  
19 technical centers, the Community High School of Vermont, colleges, and  
20 recent graduates of 24 months or less.

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

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

6                   (B) create real workplace expectations and consequences;

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

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

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

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

20           (4) ~~For the purposes of~~ As used in this section, “internship” means a  
21 learning experience working with an employer where the intern may, but does

1 not necessarily, receive academic credit, financial remuneration, a stipend, or  
2 any combination of these.

3 (b) The Department of Labor, in collaboration with the Agencies of  
4 Agriculture, Food and Markets and of Education, ~~state-funded~~ State-funded  
5 postsecondary educational institutions, the Workforce ~~Development Council~~  
6 Investment Board, and other ~~state~~ State agencies and departments that have  
7 workforce education and training and training monies, shall:

8 (1) identify new and existing funding sources that may be allocated to  
9 the Vermont Career Internship Program;

10 (2) collect data and establish program goals and quantifiable  
11 performance measures for internship programs funded through the Vermont  
12 Career Internship Program;

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

15 (4) engage appropriate agencies and departments of the State in the  
16 Internship Program to expand internship opportunities with State government  
17 and with entities awarded State contracts; and

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



1 Sec. 29. 10 V.S.A. chapter 22 is amended to read:

2 CHAPTER 22. ~~EMPLOYMENT~~ THE VERMONT

3 TRAINING PROGRAM

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

5 (a)(1) The Secretary of Commerce and Community Development ~~may, in~~  
6 consultation with the Workforce Investment Board, shall have the authority to  
7 design and implement a Vermont Training Program, the purpose of which shall  
8 be to issue performance-based grants to any employer, consortium of  
9 employers, or providers of training, either individuals or organizations, as  
10 necessary, to conduct training under the following circumstances: to  
11 employers and to education and training providers to increase employment  
12 opportunities in Vermont consistent with this chapter.

13 (2) The Secretary shall structure the Vermont Training Program to serve  
14 as a flexible, nimble, and strategic resource for Vermont businesses and  
15 workers across all sectors of the economy.

16 ~~(1) when issuing grants to an employer or consortium of employers, the~~  
17 ~~employer promises as a condition of the grant to where eligible facility is~~  
18 ~~defined as in subdivision 212(6) of this title relating to the Vermont Economic~~  
19 ~~Development Authority, or the employer or consortium of employers promises~~  
20 ~~to open an eligible facility within the State which will employ persons,~~

1 ~~provided that for the purposes of this section, eligible facility may be broadly~~  
2 ~~interpreted to include employers in sectors other than manufacturing; and~~

3 ~~(2) training is required for potential employees, new employees, or long-~~  
4 ~~standing employees in the methods, either singularly or in combination relating~~  
5 ~~to pre-employment training, on-the-job training, upgrade training, and~~  
6 ~~crossover training, or specialized instruction, either in plant or through a~~  
7 ~~training provider.~~

8 (b) Eligibility for grant. The Secretary of Commerce and Community  
9 Development may award a grant to an employer if:

10 (1) ~~the employer's new or expanded initiative will enhance employment~~  
11 ~~opportunities for Vermont residents; the training is for pre-employment, new~~  
12 ~~employees, or incumbent employees in the methods, either singularly or in~~  
13 ~~combination, relating to pre-employment training, on-the-job training, upgrade~~  
14 ~~training, and crossover training, or specialized instruction, either on-site or~~  
15 ~~through a training provider;~~

16 (2) the employer provides its employees with at least three of the  
17 following:

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

20 (B) dental assistance;

21 (C) paid vacation ~~and~~;

- 1            (D) paid holidays;
- 2            ~~(D)~~(E) child care;
- 3            ~~(E)~~(F) other extraordinary employee benefits;
- 4            ~~(F)~~(G) retirement benefits; and
- 5            (H) other paid time off, including paid sick days;

6            (3) the training is directly related to the employment responsibilities of  
7 the trainee; and

8            (4) unless modified by the Secretary if warranted based on regional or  
9 occupational wages or economic reality, the training is expected to lead to a  
10 position for which the employee is compensated at least twice the State  
11 minimum wage, reduced by the value of any benefit package up to a limit of  
12 30 percent of the employee's gross wage; provided that for each grant in which  
13 the Secretary modifies the compensation provisions of this subdivision, he or  
14 she shall identify in the records for that grant the basis and nature of the  
15 modification.

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

17            ~~(1) employ new persons at a wage which, at the completion of the~~  
18 ~~training program, is two times the prevailing state or federal minimum wage,~~  
19 ~~whichever is greater, reduced by the value of any existing health benefit~~  
20 ~~package up to a limit of 30 percent of the gross program wage, or for existing~~  
21 ~~employees, to increase the wage to two times the prevailing state and federal~~

1 ~~minimum wage, whichever is greater, reduced by the value of any existing~~  
2 ~~health benefit package up to a limit of 20 percent of the gross program wage,~~  
3 ~~upon completion of training; provided, however, that in areas defined by the~~  
4 ~~Secretary of Commerce and Community Development in which the Secretary~~  
5 ~~finds that the rate of unemployment is 50 percent greater than the average for~~  
6 ~~the State, the wage rate under this subsection may be set by the Secretary at a~~  
7 ~~rate no less than one and one-half times the federal or state minimum wage,~~  
8 ~~whichever is greater;~~

9 ~~(2) employ persons who have completed the training provided for them~~  
10 ~~and nominated as qualified for a reasonable period at the wages and~~  
11 ~~occupations described in the contract, unless the employer reasonably finds the~~  
12 ~~nominee is not qualified;~~

13 ~~(3) provide its employees with at least three of the following:~~

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

16 ~~(B) dental assistance;~~

17 ~~(C) paid vacation and holidays;~~

18 ~~(D) child care;~~

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

20 ~~(F) retirement benefits.~~

1           ~~(4) submit a customer satisfaction report to the Secretary of Commerce~~  
2           ~~and Community Development, on a form prepared by the Secretary for that~~  
3           ~~purpose, no more than 30 days from the last day of the training program.~~

4           In the case of a grant to a training provider, the Secretary shall require as a  
5           condition of the grant that the provider shall disclose to the Secretary the name  
6           of the employer and the number of employees trained prior to final payment  
7           for the training.

8           (d) In order to avoid duplication of programs or services and to provide the  
9           greatest return on investment from training provided under this section, the  
10          Secretary of Commerce and Community Development shall:

11          ~~(1) first~~ consult with the Commissioner of Labor regarding whether the  
12          grantee has accessed, or is eligible to access, other workforce education and  
13          training resources ~~offered by public or private workforce education and~~  
14          ~~training partners;~~

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

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

3           ~~(e) The Secretary of Commerce and Community Development shall~~  
4 ~~administer all training programs under this section, may select and use~~  
5 ~~providers of training as appropriate, and shall adopt rules and may accept~~  
6 ~~services, money, or property donated for the purposes of this section. The~~  
7 ~~Secretary may promote awareness of, and may give priority to, training that~~  
8 ~~enhances critical skills, productivity, innovation, quality, or competitiveness,~~  
9 ~~such as training in Innovation Engineering, “Lean” systems, and ISO~~  
10 ~~certification for expansion into new markets. [Repealed.]~~

11           (f) Upon completion of the training program for any individual, the  
12 secretary of Commerce and Community Development shall review the records  
13 and shall award to the trainee, if appropriate, a certificate of completion for the  
14 training.

15           ~~(g) None of the criteria in subdivision (a)(1) of this section shall apply to a~~  
16 ~~designated job development zone under chapter 29, subchapter 2 of this title.~~  
17 [Repealed.]

18           ~~(h) The Secretary may designate the Commissioner of Economic~~  
19 ~~Development to carry out his or her powers and duties under this chapter.~~  
20 [Repealed.]

21           ~~(i) Program Outcomes.~~

1           ~~(1) On or before September 1, 2011, the Agency of Commerce and~~  
2           ~~Community Development, in coordination with the department of labor, and in~~  
3           ~~consultation with the Workforce education and training Council and the~~  
4           ~~legislative Joint Fiscal Office, shall develop, to the extent appropriate, a~~  
5           ~~common set of benchmarks and performance measures for the training~~  
6           ~~program established in this section and the Workforce Education and Training~~  
7           ~~Fund established in section 543 of this title, and shall collect employee-specific~~  
8           ~~data on training outcomes regarding the performance measures; provided,~~  
9           ~~however, that the Secretary shall redact personal identifying information from~~  
10           ~~such data.~~

11           ~~(2) On or before January 15, 2013, the Joint Fiscal Office shall prepare a~~  
12           ~~performance report using the benchmarks and performance measures created~~  
13           ~~pursuant to subdivision (1) of this subsection. The Joint Fiscal Office shall~~  
14           ~~submit its report to the Senate Committee on Economic Development, Housing~~  
15           ~~and General Affairs and the House Committee on Commerce and Economic~~  
16           ~~Development.~~

17           ~~(3) The Secretary shall use information gathered pursuant to this~~  
18           ~~subsection and customer satisfaction reports submitted pursuant to subdivision~~  
19           ~~(e)(4) of this section to evaluate the program and make necessary changes that~~  
20           ~~fall within the Secretary's authority or, if beyond the scope of the Secretary's~~

1 authority, to recommend necessary changes to the appropriate committees of  
2 the General Assembly. [Repealed.]

3 (j) ~~Consistent with the training program's goal of providing specialized~~  
4 ~~training and increased employment opportunities for Vermonters, and~~  
5 ~~notwithstanding provisions of this section to the contrary, the Secretary shall~~  
6 ~~canvas apprenticeship sponsors to determine demand for various levels of~~  
7 ~~training and classes and shall transfer up to \$250,000.00 annually to the~~  
8 ~~regional technical centers to fund or provide supplemental funding for~~  
9 ~~apprenticeship training programs leading up to certification or licensing as~~  
10 ~~journeyman or master electricians or plumbers. The Secretary shall seek to~~  
11 ~~provide these funds equitably throughout Vermont; however, the Secretary~~  
12 ~~shall give priority to regions not currently served by apprenticeship programs~~  
13 ~~offered through the Vermont Department of Labor pursuant to 21 V.S.A.~~  
14 ~~chapter 13.~~ [Repealed].

15 (k) Annually on or before January 15, the Secretary shall submit a report to  
16 the House Committee on Commerce and Economic Development and the  
17 Senate Committee on Economic Development, Housing and General Affairs  
18 summarizing. In addition to the reporting requirements under section 540 of  
19 this title, the report shall identify:

20 (1) all active and completed contracts and grants;



1           (2) the types of training activities provided, from among the following,  
2           the category the training addressed:

3           (A) pre-employment training or other training for a new employee to  
4           begin a newly created position with the employer;

5           (B) pre-employment training or other training for a new employee to  
6           begin in an existing position with the employer;

7           (C) training for an incumbent employee who, upon completion of  
8           training, assumes a newly created position with the employer;

9           (D) training for an incumbent employee who upon completion of  
10          training assumes a different position with the employer;

11          (E) training for an incumbent employee to upgrade skills;

12          (3) for the training identified in subdivision whether the training is  
13          onsite or classroom-based;

14          (4) the number of employees served, and ;

15          (5) the average wage by employer, and addressing ;

16          (6) any waivers granted;

17          (7) the identity of the employer, or, if unknown at the time of the report,  
18          the category of employer;

19          (8) the identity of each training provider; and

20          (9) whether training results in a wage increase for a trainee, and the  
21          amount of increase.

1 Sec. 30. REPEAL

2 2007 Acts and Resolves No. 46, Sec. 6(a), as amended by 2009 Acts and  
3 Resolves No. 54, Sec. 8 (workforce education and training leader) and 2013  
4 Acts and Resolves No. 81, Sec. 2, is repealed.

5 Sec. 31. DEPARTMENT OF LABOR; AGENCY OF COMMERCE AND  
6 COMMUNITY DEVELOPMENT; STATUTORY PROPOSALS

7 On or before November 1, 2014:

8 (1) The Commissioner of Labor shall submit to the House Committee on  
9 Commerce and Economic Development and the Senate Committee on  
10 Economic Development, Housing and General Affairs a proposal to amend the  
11 language of 10 V.S.A. § 543 to reflect best practices and improve clarity in the  
12 administration of, and for applicants to, the grant program from the Workforce  
13 Education and Training Fund under that section.

14 (2) The Secretary of Commerce and Community Development shall  
15 submit to the House Committee on Commerce and Economic Development  
16 and the Senate Committee on Economic Development, Housing and General  
17 Affairs a proposal to amend the language of 10 V.S.A. § 531 to reflect best  
18 practices and improve clarity in the administration of, and for applicants to, the  
19 Vermont Training Program under that section.

20 Sec. 32. INTERNSHIP OPPORTUNITIES FOR YOUNG PERSONS

1        On or before January 15, 2015, the Commissioner of Labor shall submit to  
2        the House Committee on Commerce and Economic Development and the  
3        Senate Committee on Economic Development, Housing and General Affairs a  
4        report that details the internship opportunities available to Vermonters between  
5        15 and 18 years of age and recommends one or more means to expand these  
6        opportunities through the Vermont Career Internship Program, 10 V.S.A.  
7        § 544, or through other appropriate mechanisms.

8                                \* \* \* Vermont Strong Scholars Program \* \* \*

9        Sec. 33. 16 V.S.A. chapter 90 is redesignated to read:

10                                CHAPTER 90. FUNDING OF POSTSECONDARY INSTITUTIONS

11    EDUCATION

12        Sec. 34. 16 V.S.A. § 2888 is added to read:

13        § 2888. VERMONT STRONG SCHOLARS PROGRAM

14                (a) Program creation. There is created a postsecondary loan forgiveness  
15        program to be known as the Vermont Strong Scholars Program designed to  
16        forgive a portion of Vermont Student Assistance Corporation (the Corporation)  
17        loans in order to encourage Vermonters to select majors that prepare them for  
18        jobs that are critical to the Vermont economy, to enroll and remain enrolled in  
19        a Vermont postsecondary institution, and to live in Vermont upon graduation.

1           (b) Academic majors; projections.

2                   (1) Annually, on or before November 15, the Secretary of Commerce  
3                   and Community Development (the Secretary), in consultation with the  
4                   Vermont State Colleges, the University of Vermont, the Corporation, the  
5                   Commissioner of Labor, and the Secretary of Education, shall identify eligible  
6                   postsecondary majors, projecting at least four years into the future, that:

7                           (A) are offered by the Vermont State Colleges, the University of  
8                           Vermont, or Vermont independent colleges (the eligible institutions); and

9                           (B) lead to jobs the Secretary has identified as critical to the Vermont  
10                   economy.

11                   (2) The Secretary shall prioritize the identified majors and shall select a  
12                   similar number of associate's degree and bachelor's degree programs. A major  
13                   shall be identified as eligible for this Program for no less than two years.

14                   (3) Based upon the identified majors, the Secretary of Administration  
15                   shall annually provide the General Assembly with the estimated cost of the  
16                   Corporation's loan forgiveness awards under the Program during the  
17                   then-current fiscal year and each of the four following fiscal years.

18                   (c) Eligibility. An individual shall be eligible for loan forgiveness under  
19                   this section if he or she:

20                           (1) was classified as a Vermont resident by the eligible institution from  
21                   which he or she was graduated;

1           (2) is a graduate of an eligible institution;

2           (3) shall not hold a prior bachelor's degree;

3           (4) was awarded an associate's or bachelor's degree in a field identified  
4 pursuant to subsection (b) of this section;

5           (5) completed the associate's degree within three years or the bachelor's  
6 degree within five years;

7           (6) is employed in Vermont in a field or specific position closely related  
8 to the identified degree during the period of loan forgiveness; and

9           (7) is a Vermont resident throughout the period of loan forgiveness.

10          (d) Loan forgiveness.

11           (1) An eligible individual shall have his or her postsecondary loan from  
12 the Corporation forgiven as follows:

13           (A) for an individual awarded an associate's degree by an eligible  
14 institution, in an amount equal to the tuition rate for 15 credits at the  
15 Community College of Vermont during the individual's final semester of  
16 enrollment, to be prorated over the three years following graduation; and

17           (B) for an individual awarded a bachelor's degree by an eligible  
18 institution, in an amount equal to the in-state tuition rate at the Vermont State  
19 Colleges during the individual's final year of enrollment, to be prorated over  
20 the five years following graduation;

1           (2) Loan forgiveness may be awarded on a prorated basis to an  
2           otherwise eligible Vermont resident who transfers to and is graduated from an  
3           eligible institution.

4           (e) Program management and funding. The Secretary shall develop all  
5           organizational details of the Program consistent with the purposes and  
6           requirements of this section, including the identification of eligible major  
7           programs and eligible jobs. The Secretary may contract with the Corporation  
8           for management of the Program. The Secretary may adopt rules pursuant to  
9           3 V.S.A. chapter 25 necessary to implement the Program. The availability and  
10           payment of loan forgiveness awards under this section are subject to funding  
11           available to the Corporation for the awards.

12           (f) Fund creation.

13           (1) There is created a special fund to be known as the Vermont Strong  
14           Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5. The Fund shall  
15           be used and administered solely for the purposes of this section. Any  
16           remaining balance at the end of the fiscal year shall be carried forward in the  
17           Fund.

18           (2) The Fund shall consist of sums to be identified by the Secretary from  
19           any source accepted for the benefit of the Fund and interest earned from the  
20           investment of Fund balances.

1       Sec. 35. VERMONT STRONG INTERIM REPORT

2           On or before November 1, 2014, the Secretary of Commerce and  
3           Community Development shall report to the Joint Fiscal Committee on the  
4           organizational and economic details of the Vermont Strong Scholars Program,  
5           and specifically on the majors selected for forgiveness and the projected annual  
6           cost, the proposed funding source, and the projected fund balance for each  
7           fiscal year through fiscal year 2018.

8       Sec. 36. VERMONT PRODUCTS PROGRAM; STUDY; REPORT

9           (a) On or before September 1, 2015, the Agency of Commerce and  
10          Community Development, after consulting with appropriate stakeholders, shall  
11          report to the Senate Committee on Economic Development, Housing and  
12          General Affairs and the House Committee on Commerce and Economic  
13          Development on creating a Vermont Products Program for the purpose of  
14          providing Vermont businesses with a means of promoting and marketing  
15          products and services that are manufactured, designed, engineered, or  
16          formulated in Vermont and avoiding confusion by consumers when the  
17          Vermont brand is used in marketing products or services.

18          (b) The report required by this section shall describe the method,  
19          feasibility, and cost of creating a Vermont Products Program that includes the  
20          following elements:

1           (1) The program shall include a licensing system that enables qualifying  
2           persons to make marketing claims concerning significant business activities  
3           occurring in Vermont, and to self-certify products and services that are  
4           manufactured, designed, engineered, or formulated in Vermont. Under this  
5           system, the Secretary shall identify and craft branding and marketing  
6           guidelines that concern whether and how qualifying products or services  
7           manufactured, designed, engineered, or formulated in Vermont can be properly  
8           claimed so as to be licensed. The licensing system shall permit an applicant to  
9           self-certify compliance with designated criteria and attest to the accuracy of  
10           claims authorized by the Secretary in order to obtain a license to advertise and  
11           promote a product or service using the licensed materials.

12           (2) The program may charge an annual fee for the issuance of the  
13           license.

14           (3) The program shall include an on-line application process that  
15           permits an applicant to obtain the license if he or she certifies compliance with  
16           criteria designated by the Secretary, attests to the accuracy of statements  
17           designated by the Secretary, and pays the required fee.

18           (4) Licenses issued under the program shall include a provision  
19           requiring that disputes regarding the license be resolved by alternative dispute  
20           resolution. A person who objects to the issuance of a license may file a



1 complaint with the Secretary, who shall refer it for alternative dispute  
2 resolution as provided in the license.

3 (5) A special fund, comprising license fees and any monies appropriated  
4 by the General Assembly, may be created for the administration and  
5 advertising of the program.

6 (c) The report required by this section shall include a recommendation as to  
7 whether the Vermont Products Program should replace the rules regarding  
8 Vermont Origin adopted by the Attorney General.

9 Sec. 37. EFFECTIVE DATES

10 This act shall take effect on July 1, 2014, except that 16 V.S.A. § 2888(d)  
11 shall take effect on July 1, 2015.

12

13 (Committee vote: \_\_\_\_\_)

14

\_\_\_\_\_

15

Representative [surname]

16

FOR THE COMMITTEE

17

18