

S.138

An act relating to promoting economic development

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

Sec. 1. [Deleted.]

Sec. 2. [Deleted.]

Sec. 3. [Deleted.]

Sec. 4. [Deleted.]

Secs. 5–9. [Reserved]

* * * Education and Workforce Training * * *

Sec. 10. VERMONT STRONG SCHOLARS LOAN FORGIVENESS

FINDINGS; INTENT

The General Assembly finds that the fundamental fairness, integrity, and success of the Vermont Strong Scholars loan forgiveness program under Sec. 11 of this act, whereby graduating high school students will be counseled and encouraged to apply to Vermont schools, take certain courses, graduate and then take certain Vermont jobs, in exchange for student loan forgiveness, is critically dependent on the State providing reliable, sustainable, and adequate funding for the loan forgiveness.

Sec. 11. 16 V.S.A. § 2888 is amended to read:

§ 2888. VERMONT STRONG SCHOLARS AND INTERNSHIP
INITIATIVE

(a) Creation.

(1) There is created a postsecondary loan forgiveness and internship initiative designed to forgive a portion of Vermont Student Assistance Corporation loans of students employed in ~~economic sectors~~ occupations identified as important to Vermont's economy and to build internship opportunities for students to gain work experience with Vermont employers.

(2) The initiative shall be known as the Vermont Strong Scholars and Internship Initiative and is designed to:

(A) encourage students to:

(i) consider ~~jobs in economic sectors~~ occupations that are critical to the Vermont economy;

(ii) enroll and remain enrolled in a Vermont postsecondary institution; and

(iii) live and work in Vermont upon graduation;

(B) reduce student loan debt for postsecondary ~~education in targeted fields~~ degrees involving a course of study related to, and resulting in, employment in target occupations;

(C) provide experiential learning through internship opportunities with Vermont employers; and

(D) support a ~~pipeline~~ steady stream of qualified talent for ~~employment with~~ Vermont's employers.

(b) Vermont Strong Loan Forgiveness Program.

(1) ~~Economic sectors~~ Occupations; projections.

(A) Annually, on or before November 15, the Secretary of Commerce and Community Development and the Commissioner of Labor, in consultation with the Vermont State Colleges, the University of Vermont, the Association of Vermont Independent Colleges, the Vermont Student Assistance Corporation, the Secretary of Human Services, and the Secretary of Education, shall identify ~~economic sectors~~ occupations, projecting at least four years into the future, that are or will be critical to the Vermont economy.

(B) Based upon the identified ~~economic sectors~~ occupations and the number of students anticipated to qualify for loan forgiveness under this section, the Secretary of Commerce and Community Development shall annually provide the General Assembly with the estimated cost of the Vermont Student Assistance Corporation's loan forgiveness awards under the Loan Forgiveness Program during the then-current fiscal year and each of the four following fiscal years.

(2) Eligibility. A graduate of a public or private Vermont postsecondary institution shall be eligible for forgiveness of a portion of his or her Vermont Student Assistance Corporation postsecondary education loans under this section if he or she:

(A) was a Vermont resident, as defined in subdivision 2822(7) of this title, at the time he or she was graduated;

(B) enrolled in his or her first year of study at a postsecondary institution on or after July 1, 2015 and completed an associate's degree within three years, or a bachelor's degree within six years of his or her enrollment date;

(C) becomes employed on a full-time basis in Vermont within 12 months of graduation in an ~~economic sector~~ occupation identified by the Secretary and Commissioner under subdivision (1) of this subsection;

(D) remains employed on a full-time basis in Vermont throughout the period of loan forgiveness in an ~~economic sector~~ occupation identified by the Secretary and Commissioner under subdivision (1) of this subsection; and

(E) remains a Vermont resident throughout the period of loan forgiveness.

(3) Loan forgiveness. An eligible individual shall have a portion of his or her Vermont Student Assistance Corporation loan forgiven as follows:

(A) ~~For~~ for an individual awarded an associate's degree, in an amount equal to the comprehensive in-state tuition rate for 15 credits at the Vermont State Colleges during the individual's final semester of enrollment, to be prorated over the three years following graduation;

(B) ~~For~~ for an individual awarded a bachelor's degree, in an amount equal to the comprehensive in-state tuition rate for 30 credits at the Vermont State Colleges during the individual's final year of enrollment, to be prorated over the five years following graduation;

(C) ~~Loan~~ loan forgiveness may be awarded on a prorated basis to an otherwise eligible Vermont resident who transfers to ~~and is graduated from~~ a Vermont postsecondary institution and graduates after July 1, 2017, with an associate's degree or after July 1, 2019, with a bachelor's degree.

(4) Management.

(A) The Secretary of Commerce and Community Development shall develop all organizational details of the Loan Forgiveness Program consistent with the purposes and requirements of this section.

(B) The Secretary shall enter into a memorandum of understanding with the Vermont Student Assistance Corporation for management of the Loan Forgiveness Program.

(C) The Secretary may adopt rules pursuant to 3 V.S.A. chapter 25 necessary to implement the Program.

(c) Vermont Strong Internship Program.

(1) Internship Program management.

(A) The Commissioner of Labor and the Secretary of Commerce and Community Development shall jointly develop and implement the organizational details of the Internship Program consistent with the purposes and requirements of this section and may adopt rules pursuant to 3 V.S.A. chapter 25 necessary to implement the Internship Program.

(B) The Commissioner, in consultation with the Secretary, shall issue a request for proposals for a person to serve as an Internship Program Intermediary, who shall perform the duties and responsibilities pursuant to the terms of a performance contract negotiated by the Commissioner and the Intermediary.

(C) The Department of Labor, the Agency of Commerce and Community Development, the regional development corporations, and the Intermediary, shall have responsibility for building connections within the business community to ensure broad private sector participation in the Internship Program.

(D) The Program Intermediary shall:

(i) identify and foster postsecondary internships that are rigorous, productive, well-managed, and mentored;

- (ii) cultivate relationships with employers, employer-focused organizations, and State and regional government bodies;
- (iii) build relationships with Vermont postsecondary institutions and facilitate recruitment of students to apply for available internships;
- (iv) create and maintain a registry of participating employers and associated internship opportunities;
- (v) coordinate and provide support to the participating student, the employer, and the student's postsecondary institution;
- (vi) develop and oversee a participation contract between each student and employer, including terms governing the expectations for the internship, a work plan, mentoring and supervision of the student, reporting by the employer and student, and compensation terms; and
- (vii) carry out any additional activities and duties as directed by the Commissioner.

(2) Qualifying internships.

(A) Criteria. To qualify for participation in the Internship Program an internship shall at minimum:

- (i) be with a Vermont employer as approved by the Intermediary in consultation with the Commissioner and Secretary;
- (ii) pay compensation to an intern of at least the prevailing minimum wage; and

(iii) meet the quality standards and expectations as established by the Intermediary.

(B) Employment of interns. Interns shall be employed by the sponsoring employer except, with the approval of the Commissioner on a case-by-case basis, interns may be employed by the Intermediary and assigned to work with a participating Vermont employer, in which case the sponsoring employer shall contribute funds as determined by the Commissioner.

(3) Student eligibility. To participate in the Internship Program, an individual shall be:

(A) a Vermont resident enrolled in a postsecondary institution in or outside Vermont;

(B) a student who graduated from a postsecondary institution within 24 months of entering the program who was classified as a Vermont resident during that schooling or who is a student who attended a postsecondary institution in Vermont; or

(C) a student enrolled in a Vermont postsecondary institution.

(d) Funding.

(1) Loan Forgiveness Program.

(A) Loan forgiveness; State funding.

(i) There is created a special fund to be known as the Vermont Strong Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, which

shall be used and administered by the Secretary of Commerce and Community Development solely for the purposes of loan forgiveness pursuant to this section.

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

(iii) Any interest earned and any remaining balance at the end of the fiscal year shall be carried forward in the Fund.

(iv) The availability and payment of loan forgiveness awards under this ~~subdivision~~ chapter is subject to State funding available for the awards.

(B) Loan forgiveness; Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall have the authority to grant loan forgiveness pursuant to this section by using the private loan forgiveness capacity associated with bonds issued by the Corporation to raise funds for private loans that are eligible for forgiveness under this section, if available.

(2) Internship Program. Notwithstanding any provision of law to the contrary, the Commissioner of Labor shall have the authority to use funds allocated to the Workforce Education and Training Fund established in 10 V.S.A. § 543 to implement the Internship Program created in this section.

Sec. 12. ADVANCED MANUFACTURING AND INFORMATION
TECHNOLOGY PROGRAMS; ANALYSIS

The Agency of Commerce and Community Development, Agency of Education, and the Department of Labor shall conduct an analysis of the workforce education and training programs in manufacturing, advanced manufacturing, and information technology that currently exist in Vermont for mechanical and technical skills, machinist training, web and graphic development, coding, health care technology services, and other high-demand positions in Vermont. The State agencies and department shall collaborate to support the advancement of programs and initiatives, including providing financial resources as appropriate from their program funds.

Sec. 13. 21 V.S.A. § 497a is amended to read:

§ 497a. COMMITTEE ESTABLISHED

There is hereby established a permanent committee to be known as the ~~Vermont governor's committee on employment of people with disabilities~~ Governor's Committee on Employment of People with Disabilities, to consist of ~~21~~ 22 members, including a one representative ~~of each from the Vermont employment service division~~ Department of Labor's Workforce Development Career Services Division and the Jobs for Veterans State Grant Program, one representative ~~of from the vocational rehabilitation division of the department of disabilities, aging, and independent living~~ Department of Disabilities, Aging

~~and Independent Living Vocational Rehabilitation Division and one from the~~
~~Division for the Blind and Visually Impaired,~~ one representative of the
~~veterans' administration, one representative of the veterans' employment~~
~~service~~ Veterans' Administration, and 17 members to be appointed by the
~~governor~~ Governor. The appointive members shall hold office for the term
specified or until their successors are named by the ~~governor~~ Governor. The
members shall receive no salary for their services as such, but the necessary
expenses of the ~~committee~~ Committee shall be paid by the ~~state~~ State. ~~Those~~
~~persons acting as said committee on June 29, 1963 shall continue as such until~~
~~their successors are appointed as herein provided.~~

Secs. 14–19. [Reserved]

Sec. 20. [Deleted.]

Sec. 21. [Deleted.]

Secs. 22–29. [Reserved]

* * * Land Use; Economic Development Planning * * *

Sec. 30. [Deleted.]

Sec. 31. [Deleted.]

Sec. 32. [Deleted.]

Sec. 33. ACT 250; IMPLEMENTATION OF SETTLEMENT PATTERNS

CRITERION

(a) The General Assembly finds that:

(1) 2014 Acts and Resolves No. 147, Sec. 2 amended 10 V.S.A.

§ 6086(a)(9)(L) (Criterion 9L) to become a settlement patterns criterion. The purpose of the amendment was to guide and accomplish coordinated, efficient, and economic development in the State that is consistent with Vermont's historic settlement pattern of compact centers separated by rural countryside.

(2) Effective on October 17, 2014, the Natural Resources Board (NRB) adopted a procedure to implement Criterion 9L (the Criterion 9L Procedure).

(b) The General Assembly determines that additional opportunity for public comment on the Criterion 9L Procedure, as well as additional education and improved guidance, would be beneficial in implementing the criterion.

(1) The NRB shall review the Criterion 9L Procedure in full collaboration with the Agency of Commerce and Community Development (ACCD) and the Agency of Natural Resources (ANR).

(A) As part of this review, the NRB shall solicit input from affected parties and the public, including planners, developers, municipalities, environmental advocacy organizations, regional planning commissions, regional development corporations, and business advocacy organizations such as State and regional chambers of commerce.

(B) Based on this review, the NRB shall adopt revisions in the form of a procedure under 3 V.S.A. chapter 25.

(2) ACCD shall work with the NRB and ANR to develop outreach material on Criterion 9L, including illustrative examples of appropriate development design, and implement a training plan on the criterion for local elected officials, municipal boards, State and regional organizations and associations, environmental groups, consultants, and developers.

Sec. 34. [Deleted.]

Sec. 35. 24 V.S.A. § 4471(e) is amended to read:

(e) ~~Vermont neighborhood~~ Neighborhood development area.

Notwithstanding subsection (a) of this section, a determination by an appropriate municipal panel shall not be subject to appeal if the determination is that a proposed residential development within a designated downtown development district, designated growth center, ~~or~~ designated Vermont neighborhood, or designated neighborhood development area seeking conditional use approval will not result in an undue adverse effect on the character of the area affected, ~~as provided in~~ under subdivision 4414(3)(A)(ii) of this title.

Sec. 36. 10 V.S.A. § 6086(a)(9)(B) is amended to read:

(B) Primary agricultural soils. A permit will be granted for the development or subdivision of primary agricultural soils only when it is

demonstrated by the applicant that, in addition to all other applicable criteria, either, the subdivision or development will not result in any reduction in the agricultural potential of the primary agricultural soils; or:

(i) the development or subdivision will not significantly interfere with or jeopardize the continuation of agriculture or forestry on adjoining lands or reduce their agricultural or forestry potential; ~~and~~

(ii) except in the case of an application for a project located in a designated ~~growth center~~ area listed in subdivision 6093(a)(1) of this title, there are no lands other than primary agricultural soils owned or controlled by the applicant which are reasonably suited to the purpose of the development or subdivision; ~~and~~

(iii) except in the case of an application for a project located in a designated ~~growth center~~ area listed in subdivision 6093(a)(1) of this title, the subdivision or development has been planned to minimize the reduction of agricultural potential of the primary agricultural soils through innovative land use design resulting in compact development patterns, so that the remaining primary agricultural soils on the project tract are capable of supporting or contributing to an economic or commercial agricultural operation; and

(iv) suitable mitigation will be provided for any reduction in the agricultural potential of the primary agricultural soils caused by the

development or subdivision, in accordance with section 6093 of this title and rules adopted by the Natural Resources Board.

Sec. 37. 10 V.S.A. § 6310 is added to read:

§ 6310. CONSERVATION EASEMENT HOLDER; NONMERGER

If a holder of a conservation easement is or becomes the owner in fee simple of property subject to the easement, the easement shall continue in effect and shall not be extinguished.

Secs. 38–39. [Reserved]

* * * Business Growth; Access to Capital;

Tourism and Marketing * * *

Sec. 40. [Deleted.]

Sec. 41. 6 V.S.A. chapter 207 is amended to read:

CHAPTER 207 PROMOTION AND MARKETING OF VERMONT

FOODS AND PRODUCTS

* * *

Subchapter 3. Agricultural Exports

§ 4621. DOMESTIC EXPORT PROGRAM

(a) The Secretary of Agriculture, Food and Markets, in collaboration with the Agency of Commerce and Community Development and the Chief Marketing Officer, shall have the authority to create a Domestic Export Program, the purpose of which may include:

(1) connecting Vermont producers with brokers, buyers, and distributors in other U.S. state and regional markets;

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

(3) providing one-time matching grants to attend trade shows and similar events to expand producers' market presence in other U.S. states, subject to available funding.

(b) The Secretary shall collect data on the activities and outcomes of the program authorized under this section and submit his or her findings and recommendations in a report on or before January 15 of each year to the House Committees on Agriculture and Forest Products and on Commerce and Economic Development and to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs.

Sec. 42. IMPLEMENTATION; DOMESTIC EXPORT PROGRAM

The Secretary of Agriculture, Food and Markets shall pursue grants and other funding, and shall seek to identify operational efficiencies within the Agency, in order to adequately sustain the creation and implementation of activities under the domestic export program authorized in 6 V.S.A. § 4621.

Sec. 43. 10 V.S.A. § 280bb is amended to read:

§ 280bb. VERMONT ENTREPRENEURIAL LENDING PROGRAM

(a) There is created the Vermont Entrepreneurial Lending Program to be administered by the Vermont Economic Development Authority. The Program shall seek to meet the working capital and capital-asset financing needs of Vermont-based businesses in seed, start-up, and growth stages. The Program shall specifically seek to fulfill capital requirement needs that are unmet in Vermont, including:

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

(2) loans up to \$1,000,000.00 in growth-stage companies that do not meet the underwriting criteria of other public and private entrepreneurial financing sources; and

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

* * *

Sec. 44. PEER-TO-PEER LENDING; STUDY; REPORT

(a) The Department of Financial Regulation, in collaboration with the Agency of Commerce and Community Development, shall conduct a study and

analysis of models for peer-to-peer lending and investment that will enable established entrepreneurs to connect with emerging entrepreneurs and increased lending, equity investment, and business mentoring while preserving adequate regulatory oversight and business consumer protection.

(b) The Department and the Agency shall report its findings and any recommendations for legislation on or before December 1, 2015, to the House Committee on Commerce and Community Development and to the Senate Committee on Economic Development, Housing and General Affairs.

Sec. 45. MEDIA PRODUCTION DATABASE

(a) The Agency of Commerce and Community Development shall create and maintain a current media production database, which it shall make available to the public through its website and other appropriate sources, of production resources that are in the State.

(b) The database shall be a searchable directory of media production professionals, including location scouts, lighting resources, animation, studios, equipment rental, sites, editing equipment, independent contractors who work in production, acting, and photographers.

(c) The Agency shall seek to partner with one or more Vermont colleges, universities, or other internship programs to support the creation and maintenance of the database pursuant to this section.

Sec. 46. Sec. 25 of Act 199 of 2014 (sunset of Treasurer's credit facility for local investments and Treasurer's local investment advisory committee) is amended to read:

Sec. 25. SUNSET

Secs. 23–24 of this act shall be repealed on July 1, ~~2015~~ 2016.

Secs. 47–49. [Reserved]

* * * Fortified Wines * * *

Sec. 50. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

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

* * *

(15) “Manufacturer’s or rectifier’s license”: a license granted by the Liquor Control Board that permits the holder to manufacture or rectify ~~spirituous liquors~~ spirits or fortified wines for export and sale to the Liquor Control Board, or malt beverages and vinous beverages for export and sale to bottlers or wholesale dealers. This license permits a manufacturer of vinous beverages or fortified wines to receive from another manufacturer licensed in or outside this ~~state~~ State bulk shipments of vinous beverages to rectify with the licensee’s own product, provided that the vinous beverages or fortified wines produced by a Vermont manufacturer may contain no more than

25 percent imported vinous beverage. The Liquor Control Board may grant to a licensed manufacturer or rectifier a first-class restaurant or cabaret license or first- and third-class restaurant or cabaret license permitting the licensee to sell alcoholic beverages to the public only at the manufacturer's premises, which, for the purposes of a manufacturer of malt beverages, includes up to two licensed establishments that are located on the contiguous real estate of the holder of the manufacturer's license, provided the manufacturer owns or has direct control over those establishments. A manufacturer of malt beverages who also holds a first-class restaurant or cabaret license may serve to a customer malt beverage by the glass, not to exceed eight glasses at one time and not to exceed four ounces in each glass. The Liquor Control Board may grant to a licensed manufacturer or a rectifier of malt beverages a second-class license permitting the licensee to sell alcoholic beverages to the public anywhere on the manufacturer's or rectifier's premises. A licensed manufacturer or rectifier of vinous beverages may serve, with or without charge, at an event held on premises of the licensee or the vineyard property, spirits and vinous and malt beverages, provided the licensee gives the Department written notice of the event, including details required by the Department, at least five days before the event. Any beverages not manufactured by the licensee and served at the event shall be purchased on

invoice from a licensed manufacturer or wholesale dealer or the Liquor Control Board.

* * *

(19) “Second-class license”: a license granted by the control commissioners permitting the licensee to export malt or vinous beverages and to sell malt or vinous beverages to the public for consumption off the premises for which the license is granted. The Liquor Control Board may grant a second-class licensee a fortified wine permit that permits the licensee to export and to sell fortified wines to the public for consumption off the licensed premises.

(20) “Spirits” or “spirituous liquors”: beverages that contain more than one percent of alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; ~~and~~ vinous beverages containing more than ~~16~~ 23 percent of alcohol; ~~and all vermouths of any alcohol content;~~ malt beverages containing more than 16 percent of alcohol or more than six percent of alcohol if the terminal specific gravity thereof is less than 1.009; in each case measured by volume at 60 degrees Fahrenheit.

* * *

(22) “Third-class license”: a license granted by the Liquor Control Board permitting the licensee to sell ~~spirituous liquors~~ spirits and fortified wines for consumption only on the premises for which the license is granted.

(23) “Vinous beverages”: all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits, or other agricultural product, containing sugar, the alcoholic content of which is not less than one percent nor more than 16 percent by volume at 60 degrees Fahrenheit, ~~except that all vermouths shall be purchased and retailed by and through the Liquor Control Board as authorized in chapters 5 and 7 of this title.~~

* * *

(27) “Special events permit”: a permit granted by the Liquor Control Board permitting a person holding a manufacturer’s or rectifier’s license to sell by the glass or by unopened bottle spirits, fortified wines, malt beverages, or vinous beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local licensing authority. For the purposes of tasting only, the permit holder may distribute, with or without charge, beverages manufactured by the permit holder by the glass no more than two ounces per product and eight ounces total of malt beverages or vinous beverages and no more than one ounce in total of spirits or fortified wines to each individual. No more than ~~36~~ 104 special events permits may be issued to a holder of a manufacturer’s or rectifier’s license during a year. A special event permit shall be valid for the duration of each public event or four days, whichever is shorter. Requests for a special events permit, accompanied by the

fee as required by subdivision 231(13) of this title, shall be submitted to the Department of Liquor Control at least five days prior to the date of the event. Each manufacturer or rectifier planning to attend a single special event under this permit may be listed on a single permit. However, each attendance at a special event shall count toward the manufacturer's or rectifier's ~~36~~ 104 special-event-permit limitation.

(28) "Fourth-class license" or "farmers' market license": the license granted by the Liquor Control Board permitting a manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages, fortified wines, or spirits to sell by the unopened container and distribute; by the glass, with or without charge, beverages manufactured by the licensee. No more than a combined total of ten fourth-class and farmers' market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth-class license location, a manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages, malt beverages, fortified wines, or spirits produced by no more than five additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell its product to no more than five additional manufacturers or rectifiers. A fourth-class licensee may distribute by the glass no more than two

ounces of malt beverages or vinous beverage with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits or fortified wine with a total of one ounce to each retail customer for consumption on the manufacturer's premises or at a farmers' market. A fourth class licensee may distribute by the glass up to four mixed drinks containing a combined total of no more than one ounce of spirits or fortified wine to each retail customer for consumption only on the manufacturer's premises. A farmers' market license is valid for all dates of operation for a specific farmers' market location.

* * *

(38) "Fortified wines": vinous beverages, including those to which spirits have been added during manufacture, containing at least 16 percent alcohol but no more than 23 percent alcohol by volume at 60 degrees Fahrenheit, and all vermouths containing no more than 23 percent alcohol by volume at 60 degrees Fahrenheit.

Sec. 51. 7 V.S.A. § 104 us amended to read:

§ 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

The Board shall have supervision and management of the sale of ~~spirituous liquors~~ spirits and fortified wines within the State in accordance with the provisions of this title, and through the Commissioner of Liquor Control shall:

* * *

Sec. 52. 7 V.S.A. § 107 is amended to read:

§ 107. DUTIES OF COMMISSIONER OF LIQUOR CONTROL

The ~~commissioner of liquor control~~ Commissioner of Liquor Control shall:

* * *

(2) Make regulations subject to the approval of the ~~board~~ Board governing the hours during which such agencies shall be open for the sale of ~~spirituous liquors,~~ spirits and fortified wines and governing the qualifications ~~and, department, and salaries of the agencies' employees therein and the salaries thereof.~~

(3) Make regulations subject to the approval of the ~~board~~ Board governing:

(A) the prices at which ~~spirituous liquors~~ spirits shall be sold ~~in such~~ by local agencies, ~~and the method of~~ for their delivery thereof, and the quantities of ~~spirituous liquors to~~ spirits that may be sold to any one person at any one time; and

(B) the minimum prices at which fortified wines shall be sold by local agencies and second-class licensees that hold fortified wine permits, the method for their delivery, and the quantities of fortified wines that may be sold to any one person at any one time.

(4) Supervise the quantities and qualities of ~~spirituous liquor~~ spirits and fortified wines to be kept as stock in ~~such local agency~~ agencies and make

regulations subject to the approval of the ~~board~~ Board regarding the filling of requisitions therefor on the ~~commissioner of liquor control~~ Commissioner of Liquor Control.

(5) Purchase through the ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services ~~spiruous liquors~~ spirits and fortified wines for and in behalf of the ~~liquor control board~~ Liquor Control Board, supervise the storage thereof and the distribution to local agencies, druggists ~~and~~, licensees of the third class, and holders of fortified wine permits, and make regulations subject to the approval of the ~~board~~ Board regarding the sale and delivery from ~~such~~ the central storage plant.

* * *

Sec. 53. 7 V.S.A. § 110 is amended to read:

§ 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF
LIQUOR CONTROL

If any person shall desire to purchase any class, variety, or brand of ~~spiruous liquor~~ spirits or fortified wine which any local agency or fortified wine permit holder does not have in stock, the ~~commissioner of liquor control~~ Commissioner of Liquor Control shall order the same through the ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services upon the payment of a reasonable deposit by the

purchaser in such proportion of the approximate cost of the order as shall be prescribed by the regulations of the ~~liquor control board~~ Liquor Control Board.

Sec. 54. 7 V.S.A. § 112 is amended to read:

§ 112. LIQUOR CONTROL FUND

The ~~liquor control fund~~ Liquor Control Fund is hereby established. It shall consist of all receipts from the sale of spirits, fortified wines, and other items by the ~~department of liquor control~~ Department of Liquor Control; fees paid to the ~~department of liquor control~~ Department of Liquor Control for the benefit of the ~~department~~ Department; all other amounts received by the ~~department of liquor control~~ Department of Liquor Control for its benefit; and all amounts ~~which~~ that are from time to time appropriated to the ~~department of liquor control~~ Department of Liquor Control.

Sec. 55. 7 V.S.A. § 222 is amended to read:

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

With the approval of the Liquor Control Board, the control commissioners may grant the following licenses to a retail dealer for the premises where the dealer carries on business ~~the following~~:

* * *

(2) Upon making application ~~and~~, paying the license fee provided in section 231 of this title, and upon satisfying the Board that such premises are

leased, rented, or owned by the retail dealer and are a safe, sanitary, and proper place from which to sell malt and vinous beverages, a second-class license ~~for the premises where such dealer shall carry on the business,~~ which shall authorize such dealer to export malt and vinous beverages, and to sell malt and vinous beverages to the public from such premises for consumption off the premises ~~and upon satisfying the Board that such premises are leased, rented, or owned by such retail dealers and are safe, sanitary, and a proper place from which to sell malt and vinous beverages.~~ A retail dealer carrying on business in more than one place shall be required to acquire a second-class license for each place where ~~he or she shall so sell~~ the retail dealer sells malt and vinous beverages. No malt or vinous beverages shall be sold by a second-class licensee to a minor.

* * *

(5)(A) The holder of a first-class license may serve a sampler flight of up to 32 ounces in the aggregate of malt beverages to a single customer at one time.

(B) The holder of a first-class license may serve a sampler flight of up to 12 ounces in the aggregate of vinous beverages to a single customer at one time.

(C) The holder of a third-class license may serve a sampler flight of up to four ounces in the aggregate of ~~spirituous liquors~~ spirits or fortified wines to a single customer at one time.

(6) The Liquor Control Board may grant a fortified wine permit to a second-class licensee if the licensee files an application accompanied by the license fee as provided in section 231 of this title. The holder of a fortified wine permit may sell fortified wines to the public from the licensed premises for consumption off the premises. The Liquor Control Board shall issue no more than 150 fortified wine permits in any single year. The holder of a fortified wine permit shall purchase all fortified wines to be offered for sale to the public pursuant to the permit through the Liquor Control Board at a price equal to no more than 75 percent of the current retail price for the fortified wine established by the Commissioner pursuant to subdivision 107(3)(B) of this title.

Sec. 56. 7 V.S.A. § 224 is amended to read:

§ 224. ~~THIRD-CLASS~~ THIRD-CLASS LICENSES; OPEN CONTAINERS

(a) The ~~liquor control board~~ Liquor Control Board may grant to a person who operates a hotel, restaurant, cabaret, or club a license of the third class if the person files an application accompanied by the license fee as provided in section 231 of this title for the premises in which the business of the hotel, restaurant, cabaret, or club is carried on. The holder of a ~~third-class~~ third-class

license may sell ~~spirituous liquors~~ spirits and fortified wines for consumption only on the premises covered by the license. The applicant for a ~~third-class~~ third-class license shall satisfy the ~~liquor control board~~ Liquor Control Board that the applicant is the bona fide owner or lessee of the premises and that the premises are operated for the purpose covered by the license.

* * *

(c) A person who holds a ~~third-class~~ third-class license shall purchase from the ~~liquor control board~~ Liquor Control Board all ~~spirituous liquors~~ spirits and fortified wines dispensed in accordance with the provisions of the ~~third-class~~ third-class license and this title.

Sec. 57. 7 V.S.A. § 225 is amended to read:

§ 225. EDUCATIONAL SAMPLING EVENT PERMIT

(a) The ~~liquor control board~~ Liquor Control Board may grant an educational sampling event permit to a person to conduct an event that is open to the public and at which malt beverages, vinous beverages, fortified wines, or ~~spirituous liquors~~ spirits, or all ~~three~~ four are served only for the purposes of marketing and educational sampling, provided the event is also approved by the local licensing authority. At least 15 days prior to the event, an applicant shall submit an application to the ~~department~~ Department in a form required by the ~~department~~ Department. The application shall include a list of the alcoholic beverages to be acquired for sampling at the event, and the

application shall be accompanied by a fee in the amount required pursuant to section 231 of this title. No more than four educational sampling event permits shall be issued annually to the same person. An educational sampling event permit shall be valid for no more than four consecutive days. The permit holder shall ~~assure~~ ensure all the following:

* * *

(b) An educational sampling event permit holder:

* * *

(2) May transport malt beverages, vinous beverages, fortified wines, and ~~spirituous liquors~~ spirits to the event site, and those beverages may be served at the event by the permit holder or the holder's employees, volunteers, or representatives of a manufacturer, bottler, or importer participating in the event, provided they meet the server age and training requirements under this chapter.

(3) ~~[Deleted.]~~ [Repealed.]

* * *

(d) Taxes for the alcoholic beverages served at the event shall be paid as follows:

* * *

(3) Spirituous liquors: \$19.80 per gallon served.

(4) Fortified wines: \$19.80 per gallon served.

Sec. 58. 7 V.S.A. § 231 is amended to read:

§ 231. FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

(a) The following fees shall be paid:

* * *

(23) For a fortified wine permit, \$100.00.

* * *

Sec. 59. 7 V.S.A. § 422 is amended to read:

§ 422. TAX ON SPIRITUOUS LIQUOR

(a) A tax is assessed on the gross revenue ~~on~~ from the retail sale of ~~spirituous liquor~~ spirits and fortified wines in the State of Vermont, ~~including fortified wine, sold by the Liquor Control Board, or sold by the retail sale of~~ spirits and fortified wines in Vermont by a manufacturer or rectifier of ~~spirituous liquor~~ spirits or fortified wines, in accordance with the provisions of this title. The tax shall be at the following rates based on the gross revenue of the retail sales by the seller in the current year:

(1) if the gross revenue of the seller is \$500,000.00 or lower, the rate of tax is five percent;

(2) if the gross revenue of the seller is between \$500,000.00 and \$750,000.00, the rate of tax is \$25,000.00 plus 10 percent of the gross revenues over \$500,000.00;

(3) if the gross revenue of the seller is ~~over~~ \$750,000.00 or more, the rate of tax is 25 percent.

* * *

Sec. 60. STATUTORY REVISION

The Legislative Council, in its statutory revision capacity pursuant to 2 V.S.A. § 424, is authorized to correct instances of the words “spirituous liquors” and “spirits” appearing in Title 7 of the Vermont Statutes Annotated to “spirits and fortified wines” as necessary to implement the intent of the revisions to 7 V.S.A. § 2 in this act.

Sec. 61. STUDY; REPORT

(a) On or before January 15, 2018, the Commissioner of Liquor Control, in consultation with the holders of second-class licenses and fortified wine permits, shall evaluate whether the number of fortified wine permits issued pursuant to 7 V.S.A. § 222 is sufficient, and how the issuance of fortified wine permits has affected the sales of fortified wines in Vermont and the variety of fortified wines available to Vermont consumers.

(b) The Commissioner of Liquor Control shall report to the House Committee on General, Housing and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs regarding his or her findings on or before January 15, 2018. The Commissioner’s report

shall include a recommendation regarding the appropriate number of fortified wine permits to be issued pursuant to 7 V.S.A. § 222.

Sec. 62. [Reserved]

Sec. 63. 13 V.S.A. § 4010 is amended to read:

§ 4010. GUN SILENCERS

(a) A Except as otherwise provided in subsection (b) of this section, a person who manufactures, sells, uses, or possesses with intent to sell or use an appliance known as or used for a gun silencer shall be fined \$25.00 for each offense. The provisions of this section shall not prevent the use or possession of gun silencers by:

* * *

(b) Subsection (a) of this section shall not apply to a licensed manufacturer, as defined in 18 U.S.C. § 921, who is also registered as a manufacturer pursuant to 26 U.S.C. § 5802, for the purpose of manufacturing, joint production, calibration, integration, incorporation, testing, permanent and temporary export, permanent and temporary import, research and development, repair, or sale of silencers in accordance with federal, State, and local law.

Secs. 64–65. [Reserved]

Sec. 66. PREWRITTEN SOFTWARE ACCESSED REMOTELY

Charges for the right to access and use prewritten software run on underlying infrastructure that is not managed or controlled by the purchaser or

any related company shall not be considered tangible personal property under 32 V.S.A. § 9701(7).

Secs. 67–70. [Reserved]

Sec. 71. 32 V.S.A. § 5930a(c)(2) is amended to read:

(2) The new jobs should make a net positive contribution to employment ~~in the area, and meet or exceed the prevailing compensation level including wages and benefits, for the particular employment sector~~ consistent with the applicable wage threshold for the labor market area. The new jobs should offer benefits and opportunities for advancement and professional growth consistent with the employment sector.

Sec. 72. 32 V.S.A. § 5930b is amended to read:

§ 5930b. VERMONT EMPLOYMENT GROWTH INCENTIVE

(a) Definitions. As used in this section:

* * *

(24) “Wage threshold” means the minimum annualized Vermont gross wages and salaries paid, as determined by the Council, but not less than:

(A) 60 percent above the minimum wage at the time of application;
~~in order for a new job to be a qualifying job under this section; or~~

(B) 40 percent above the State minimum wage at the time of application for a businesses located in a labor market area of this State in

which the unemployment rate is greater than the average unemployment rate for the State.

(25) "Labor market area" means a labor market area as designated by the Vermont Department of Labor.

(b) Authorization process.

(1) A business may apply to the Vermont Economic Progress Council for approval of a performance-based employment growth incentive to be paid out of the business's withholding account upon approval by the Department of Taxes pursuant to the conditions set forth in this section. Businesses shall not be permitted to deduct approved incentives from withholding liability payments otherwise due. In addition to any other information that the Council may require in order to fulfill its obligations under section 5930a of this title, an employment growth incentive application shall include all the following information:

- (A) application base number of jobs;
- (B) total jobs at time of application;
- (C) application base payroll;
- (D) total payroll at time of application;
- (E) jobs target for each year in the award period;
- (F) payroll target for each year in the award period;

(G) capital investment target for each year in the award period; and

(H) a statement signed by the president or chief executive officer or equivalent acknowledging that to the extent the applicant fails to meet the minimum capital investment by the end of the award period, any incentives remaining to be earned shall be limited, and any incentives taken shall be subject to complete or partial reversal, pursuant to subdivisions (c)(10) and (11) of this section.

(2) The Council shall review each application in accordance with section 5930a of this title, except that the Council may provide for an initial approval pursuant to the conditions set forth in subsection 5930a(c), followed by a final approval at a later date, before December 31 of the calendar year in which the economic activity commences.

(3) Except as provided in subdivision (5) of this subsection, the value of the incentives will be dependent upon the net fiscal benefit resulting from projected qualifying payroll and qualifying capital investment. An incentive ratio shall be applied to the net fiscal benefit generated by the cost-benefit model in order to determine the maximum award the Council may authorize for each application it approves. The Council may establish a threshold for wages in excess of, but not less than, the wage threshold, as defined in subsection (a) of this section for individual applications the Council wishes to

approve. The Council shall calculate an incentive percentage for each approved application as follows:

Authorized award amount ÷ the five-year sum of all payroll targets

(4) An approval shall specify: the application base jobs at the time of the application; total jobs at time of application; the application base payroll; total payroll at time of application; the incentive percentage; the wage threshold; the payroll thresholds; a job target for each year of the award period; a payroll target for each year of the award period; a capital investment target for each year of the award period and description sufficient for application of subdivisions (c)(10) and (11) of this section of the nature of qualifying capital investment over the award period upon which approval shall be conditioned; and the amount of the total award. The Council shall provide a copy of each approval to the Department of Taxes along with a copy of the application submitted by that applicant.

(5)(A) Notwithstanding subdivision (3) of this subsection, the Council may authorize incentives in excess of net fiscal benefit multiplied by the incentive ratio ~~not to exceed an annual authorization established by law for~~ awards to businesses located in a labor market area in which the unemployment rate is greater than the average unemployment rate for the State or in which the average annual wage is below the average annual wage for the State.

(B)(i) Except as provided in subdivision (5)(B)(ii) of this subsection, the total amount of employment growth incentives the Vermont Economic Progress Council is authorized to approve under subdivision (5)(A) of this subsection shall not exceed \$1,000,000.00 from the General Fund.

(ii) The Council shall have the authority to exceed the cap imposed in subdivision (5)(B)(i) of this subsection upon application to and approval by the Emergency Board.

(c) Claiming an employment growth incentive.

* * *

(6)(A) A business whose application is approved and, in the first, second, or third year of the award period, fails to meet or exceed its payroll target and one out of two of its jobs and capital investment targets may not claim incentives in that year. To the extent such business reaches its first, second, or third year award period targets within the succeeding two calendar year reporting periods immediately succeeding year one, two, or three of the award period, or within the extended period if an extension is granted under subdivision (B) of this subdivision (6), whichever is applicable, such business may claim incentives in five-year installments as provided in subdivisions (1) through (4) of this subsection. A business which fails to meet or exceed its payroll target and one of its two jobs and capital investment targets within this time frame shall forfeit all authority under this section to earn and claim

incentives for award period year one, two, or three, as applicable, and any future award period years. The Department of Taxes shall notify the Vermont Economic Progress Council that the first, second, or third year award period targets have not been met within the prescribed period, and the Council shall rescind authority for the business to earn incentives for the activity in year one, two, or three, as applicable, and any future award period years.

(B)(i) Notwithstanding subdivision (6)(A) of this subsection, if a business determines that it may not reach its first or second year award period targets within the succeeding two calendar year reporting periods due to facts or circumstances beyond its control, the business may request that the Council extend the period to meet the targets for another two reporting periods, reviewed annually, for award year one, and one reporting period for award year two.

(ii) The Council may grant an extension pursuant to this subdivision (B) if it determines that the business failed to meet its targets due to facts or circumstances beyond the control of the business and that there is a reasonable likelihood the business will meet the award period targets within the extension period.

(iii) If the Council grants an extension pursuant to this subdivision (B), the Council shall re-calculate the value of the incentive using the

cost-benefit model and adjust the amount of the award as is necessary to account for the extension of the award period.

* * *

(h) Enhanced training incentive. Notwithstanding any provision of law to the contrary, the Council may award an enhanced training incentive as follows:

(1) A business whose incentive application is approved may elect to claim an enhanced training incentive at any time during the award period by:

(A) notifying the Council of its intent to pursue an enhanced training incentive and dedicate its incentive funds to training through the Vermont Training Program or a Workforce Education and Training Fund program; and

(B) applying for a grant from the Vermont Training Program or the Workforce Education and Training Fund to perform training for new employees who hold qualifying jobs.

(2) If the business successfully completes new employee training pursuant to the terms of its training grant and uses incentive funds to cover a 25 percent share of the training costs, the Agency of Commerce and Community Development, or the Department of Labor, as applicable, shall disburse grant funds for on-the-job training of not more than 75 percent of wages for each employee in training, or not more than 75 percent of trainer expense upon successful completion of training hours.

(3) The Department of Taxes shall reimburse the Agency or the Department for 25 percent of the wages or trainer expense incurred by the Vermont Training Program or the Workforce Education and Training Fund pursuant to subdivision (2) of this subsection.

(4) If the business successfully completes its training and meets or exceeds its payroll target and either its jobs target or capital investment target, the Council shall approve the enhanced training incentive and notify the Department of Taxes.

(5) Upon notification by the Council, the Department of Taxes shall disburse to the business a payment in an amount equal to the business's cost for training and the cost of the reimbursement to the Vermont Training Program or the Workforce Education and Training Fund for training expenses pursuant to subdivision (3) of this subsection. The Department shall disburse the remaining value of the incentive award in annual installments pursuant to subdivision (c)(2) of this section.

(6)(A) If, during the utilization period for the incentive paid pursuant to this subsection (h), the business fails to maintain the qualifying jobs or qualifying payroll established in the award year, or does not reestablish qualifying jobs or qualifying payroll to 100 percent of the award year level, the Department of Taxes shall recapture the enhanced incentive pursuant to subsection (d) of this section.

(B) The amount of recapture shall equal the sum of the installments that the Department would have disbursed if it had paid the incentive in five-year installments pursuant to subdivision (c)(2) of this section for the years during the utilization period that the qualifying jobs or qualifying payroll were not maintained.

(i) Overall gross cap on total employment growth incentive and education tax incentive authorizations.

(1) For any calendar year, the total amount of employment growth incentives the Vermont Economic Progress Council is authorized to approve under this section and property tax stabilizations under 32 V.S.A. § 5404a(a) shall not exceed \$10,000,000.00 from the General Fund and Education Fund combined each year.

(2) The Council shall have the authority to exceed the cap imposed in subdivision (1) of this subsection upon application to and approval by the Emergency Board.

Sec. 73. 2006 Acts and Resolves No. 184, Sec. 11 is amended to read:

Sec. 11. ~~VEGI; ANNUAL CALENDAR YEAR CAPS~~

~~(a) Net negative awards cap. Notwithstanding any other provision of law, in any calendar year, the annual authorization for the total net fiscal cost of Vermont employment growth incentives that the Vermont economic progress~~

~~council or the economic incentive review board may approve under 32 V.S.A. § 5930b(b)(5) shall not exceed \$1,000,000.00 from the general fund.~~

~~(b) Restrictions to labor market area. Employment growth incentives within the annual authorization amount in subsection (a) of this section shall be granted solely for awards to businesses located in a labor market area of this state in which the rate of unemployment is greater than the average for the state or in which the average annual wage is below the average annual wage for the state. For the purposes of this section, a "labor market area" shall be as determined by the department of labor.~~

~~(e) Overall gross cap on total employment growth incentive and education tax incentive authorizations. For any calendar year, the total amount of employment growth incentives the Vermont economic progress council or the economic incentive review board is authorized to approve under 32 V.S.A. § 5930b and property tax stabilizations and allocations under 32 V.S.A. § 5404a(a) and (e) shall not exceed \$10,000,000.00 from the general fund and education fund combined each year. This maximum annual amount may be exceeded by the Vermont economic progress council upon application to and approval by the Emergency Board. [Repealed.]~~

Sec. 74. 10 V.S.A. § 531(d) is amended to read:

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

(1) consult with the Commissioner of Labor regarding whether the grantee has accessed, or is eligible to access, other workforce education and training resources;

(2) disburse grant funds only for training hours that have been successfully completed by employees; provided that, except for an award under an enhanced training incentive as provided in 32 V.S.A. § 5930b(h), a grant for on-the-job training shall either provide not more than 50 percent of wages for each employee in training, or not more than 50 percent of trainer expense, but not both, and further provided that training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and

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

Secs. 75–99. [Reserved]

Sec. 100. EFFECTIVE DATES

(a) Except as otherwise provided in subsection (b) of this section, this act shall take effect on July 1, 2015.

(b) Notwithstanding 1 V.S.A. § 214, other than 32 V.S.A. § 5930b(c) (extension of time to meet first or second year award targets), Secs. 71–74 (Vermont Employment Growth Incentive provisions) shall take effect retroactively as of January 1, 2015.