

1 Introduced by Committee on Economic Development, Housing and General
2 Affairs

3 Date:

4 Subject: Commerce and trade; economic development

5 Statement of purpose of bill as introduced: This bill proposes to adopt
6 multiple economic development provisions.

7 An act relating to promoting economic development

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

9 * * * Vermont Employment Growth Incentive * * *

10 Sec. 1. 32 V.S.A. § 5930a(c)(2) is amended to read:

11 (2) The new jobs should make a net positive contribution to employment
12 in the area, and meet or exceed the ~~prevailing compensation level including~~
13 ~~wages and benefits, for the particular employment sector~~ livable wage at the
14 time of application, as calculated pursuant to 2 V.S.A. § 505(a)(3). The new
15 jobs should offer benefits and opportunities for advancement and professional
16 growth consistent with the employment sector.

17 Sec. 2. 32 V.S.A. § 5930b is amended to read:

18 § 5930b. VERMONT EMPLOYMENT GROWTH INCENTIVE

19 (a) Definitions. As used in this section:

1 (1) “Application base number of jobs” means the total number of
2 full-time Vermont jobs, on an annualized basis, held by nonowners at the time
3 of application, including employees that have been laid off or otherwise
4 terminated within six months of the date of application.

5 (2) “Application base payroll” means the total Vermont gross wages and
6 salaries paid to full-time, nonowner employees on an annualized basis at the
7 time of application, including employees who have been laid off or otherwise
8 terminated within six months prior to the date of application.

9 (3) “Authorized award amount” means the amount of the incentive
10 award as determined by the Vermont Economic Progress Council pursuant to
11 this section.

12 (4) “Award period” means the consecutive five years during which a
13 business may add qualifying jobs and qualifying capital investments eligible
14 for employment growth incentives under this section.

15 (5) “Base number of jobs” means the total number of full-time Vermont
16 jobs held by nonowners on an annualized basis.

17 (6) “Base payroll” means the total Vermont gross wages and salaries
18 actually paid to full-time, nonowner employees.

19 (7) “But-for” means the determination of whether, in the absence of the
20 economic incentive sought, the proposed economic development would not

1 occur or would occur in a significantly different and significantly less desirable
2 manner.

3 (8) “Capital investment target” means qualifying capital investment in
4 an award period year as represented on the Vermont employment growth
5 incentive application.

6 (9) “Full-time job” means a permanent position filled by an employee
7 who works at least 35 hours each week.

8 (10) “Incentive percentage” means the percentage applied to qualifying
9 payroll in order to calculate earned incentives.

10 (11) “Incentive ratio,” set at 80 percent, is the percentage applied to the
11 preincentive net fiscal benefit in order to calculate the maximum award that
12 may be authorized under this section.

13 (12) [Repealed.]

14 (13) “Jobs target” means the projected number of new qualifying jobs in
15 an award period year as reported on the Vermont employment growth
16 incentive application.

17 (14) “Net fiscal benefit” means the excess of the present value
18 benefit to the State over the present value cost to the State as calculated by the
19 cost-benefit model.

1 (15) “Nonowner” means an employee with no more than 10 percent
2 ownership interest, including attribution of ownership interests of the
3 employee’s spouse, parents, spouse’s parents, siblings, and children.

4 (16) “Payroll target” means the projected Vermont gross wages and
5 salaries for qualifying jobs in an award period year as reported on the Vermont
6 employment growth incentive application.

7 (17) “Payroll threshold” means expected average industry payroll
8 growth as determined by the cost-benefit model.

9 (18) “Projected average wage” means the total payroll targets divided by
10 the total jobs targets.

11 (19) “Qualifying capital investment” means projected investments in
12 Vermont in new facilities, machinery, and equipment, the value of which is an
13 input to the cost-benefit model in evaluating applications.

14 (20) “Qualifying jobs” means new, full-time Vermont jobs held by
15 nonowners that meet the wage threshold.

16 (21) “Qualifying payroll” means annualized Vermont gross wages and
17 salaries paid for qualifying jobs created in or carried forward to the award
18 period year, provided that:

19 (A) award period year base payroll; minus

20 (B) Vermont gross wages and salaries paid for new qualifying jobs
21 created in or carried forward to the award period year; equals or exceeds

1 (C) prior-year base payroll minus any carry-forward of qualifying
2 payroll under subdivision (c)(4) of this section, plus award-year payroll
3 threshold.

4 (22) “Utilization period” means the period during which incentives can
5 be claimed, and includes each year of the award period plus the four years
6 immediately following each year of the award period.

7 (23) “Vermont gross wages and salaries” means Medicare wages as
8 reported on Federal Tax Form W2 to the extent those wages are Vermont
9 wages, excluding income from nonstatutory stock options.

10 (24) “Wage threshold” means the minimum annualized Vermont gross
11 wages and salaries paid, as determined by the Council, but not less than
12 ~~60 percent above the minimum wage at the time of application, in order for a~~
13 ~~new job to be a qualifying job under this section~~ the livable wage at the time of
14 application, as calculated pursuant to 2 V.S.A. § 505(a)(3).

15 (b) Authorization process.

16 (1) A business may apply to the Vermont Economic Progress Council
17 for approval of a performance-based employment growth incentive to be paid
18 out of the business’s withholding account upon approval by the Department of
19 Taxes pursuant to the conditions set forth in this section. Businesses shall not
20 be permitted to deduct approved incentives from withholding liability
21 payments otherwise due. In addition to any other information that the Council

1 may require in order to fulfill its obligations under section 5930a of this title,
2 an employment growth incentive application shall include all the following
3 information:

4 (A) application base number of jobs;

5 (B) total jobs at time of application;

6 (C) application base payroll;

7 (D) total payroll at time of application;

8 (E) jobs target for each year in the award period;

9 (F) payroll target for each year in the award period;

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

11 (H) a statement signed by the president or chief executive officer or

12 equivalent acknowledging that to the extent the applicant fails to meet the
13 minimum capital investment by the end of the award period, any incentives
14 remaining to be earned shall be limited, and any incentives taken shall be
15 subject to complete or partial reversal, pursuant to subdivisions (c)(10) and
16 (11) of this section.

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

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

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

12 (4) An approval shall specify: the application base jobs at the time of the
13 application; total jobs at time of application; the application base payroll; total
14 payroll at time of application; the incentive percentage; the wage threshold; the
15 payroll thresholds; a job target for each year of the award period; a payroll
16 target for each year of the award period; a capital investment target for each
17 year of the award period and description sufficient for application of
18 subdivisions (c)(10) and (11) of this section of the nature of qualifying capital
19 investment over the award period upon which approval shall be conditioned;
20 and the amount of the total award. The Council shall provide a copy of each

1 approval to the Department of Taxes along with a copy of the application
2 submitted by that applicant.

3 (5) Notwithstanding subdivision (3) of this subsection, the Council may
4 authorize incentives in excess of net fiscal benefit multiplied by the incentive
5 ratio ~~not to exceed an annual authorization established by law~~ for awards to
6 businesses located in a labor market area of this State in which the rate of
7 unemployment is greater than the average for the State or in which the average
8 annual wage is below the average annual wage for the State. As used in this
9 subdivision, a “labor market area” shall be as determined by the Department of
10 Labor.

11 (c) Claiming an employment growth incentive.

12 * * *

13 (6)(A) A business whose application is approved and, in the first,
14 second, or third year of the award period, fails to meet or exceed its payroll
15 target and one out of two of its jobs and capital investment targets may not
16 claim incentives in that year. To the extent such business reaches its first,
17 second, or third year award period targets within the succeeding two calendar
18 year reporting periods immediately succeeding year one, two, or three of the
19 award period, or within the extended period if an extension is granted under
20 subdivision (B) of this subdivision (6), whichever is applicable, such business
21 may claim incentives in five-year installments as provided in subdivisions (1)

1 through (4) of this subsection. A business which fails to meet or exceed its
2 payroll target and one of its two jobs and capital investment targets within this
3 time frame shall forfeit all authority under this section to earn and claim
4 incentives for award period year one, two, or three, as applicable, and any
5 future award period years. The Department of Taxes shall notify the Vermont
6 Economic Progress Council that the first, second, or third year award period
7 targets have not been met within the prescribed period, and the Council shall
8 rescind authority for the business to earn incentives for the activity in year one,
9 two, or three, as applicable, and any future award period years.

10 (B) Notwithstanding subdivision (A) of this subdivision (6), upon
11 notification by the Department of Taxes that a business has not reached its first
12 or second year award period targets within the succeeding two calendar year
13 reporting periods, the Vermont Economic Progress Council may review the
14 circumstances that caused the business to fail to meet the targets within the
15 required time period. If the Council determines that there is a reasonable
16 likelihood that the business will meet the award period targets, the Council
17 may extend the period to meet the targets for another two reporting periods,
18 reviewed annually, for award year one, and one reporting period for award
19 year two.

20 * * *

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

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

5 (A) notifying the Council of its intent to pursue an enhanced training
6 incentive and dedicate its incentive funds to training through the Vermont
7 Training Program; and

8 (B) applying for a grant from the Vermont Training Program to
9 perform training for new employees who hold qualifying jobs.

10 (2) If the business successfully completes new employee training
11 pursuant to the terms of its training grant and uses incentive funds to cover a
12 25 percent share of the training costs, the Agency of Commerce and
13 Community Development shall disburse grant funds for on-the-job training of
14 not more than 75 percent of wages for each employee in training, or not more
15 than 75 percent of trainer expense upon successful completion of training
16 hours.

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

20 (4) If the business successfully completes its training and meets or
21 exceeds its payroll target and either its jobs target or capital investment target,

1 the Council shall approve the enhanced training incentive and notify the
2 Department of Taxes.

3 (5) Upon notification by the Council, the Department of Taxes shall
4 disburse the full remaining value of the business's incentive, less the value of
5 the reimbursement to the Vermont Training Program for training expenses
6 pursuant to subdivision (3) of this subsection.

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

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

18 (i) Employment growth incentive for value-added business.

19 (1) As used in this subsection, a "value-added business" means a person
20 that is subject to income taxation in Vermont and whose current or prospective
21 economic activity in Vermont for which incentives are sought under this

1 section is certified by the Secretary of Commerce and Community

2 Development to be primarily in one or more of the following sectors:

3 (A) production of tangible products, other than real estate; or

4 (B) information processing or information management services,

5 including:

6 (i) computer hardware or software, and information and

7 communication technologies, such as high-level software languages, graphics

8 hardware and software, speech and optical character recognition, high-volume

9 information storage and retrieval, and data compression;

10 (ii) technological applications that use biological systems, living

11 organisms or derivatives thereof, to make or modify products or processes for

12 specific use;

13 (iii) custom computer programming services, such as writing,

14 modifying, testing, and supporting software to meet the needs of a particular

15 customer;

16 (iv) computer systems design services such as planning and

17 designing computer systems that integrate computer hardware, software, and

18 communication technologies;

19 (v) computer facilities management services, such as providing

20 on-site management and operation of clients' computer systems and/or data

21 processing facilities.

1 (2) Any application for a Vermont employment growth incentive under
2 this section for a value-added business shall be considered and administered
3 pursuant to all provisions of this section, except that:

4 (A) the "incentive ratio" pursuant to subdivision (a)(11) of this section
5 shall be set at 90 percent; and

6 (B) the "payroll threshold" pursuant to subdivision (a)(17) of this
7 section shall be deemed to be 20 percent of the expected average industry
8 payroll growth as determined by the cost-benefit model.

9 (j) Overall gross cap on total employment growth incentive and education
10 tax incentive authorizations.

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

16 (2) This maximum annual amount may be exceeded by the Vermont
17 Economic Progress Council upon application to and approval by the
18 Emergency Board.

19 Sec. 3. 2006 Acts and Resolves No. 184, Sec. 11 is amended to read:

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

2 ~~(a) Net negative awards cap. Notwithstanding any other provision of law,~~
3 ~~in any calendar year, the annual authorization for the total net fiscal cost of~~
4 ~~Vermont employment growth incentives that the Vermont economic progress~~
5 ~~council or the economic incentive review board may approve under 32 V.S.A.~~
6 ~~§ 5930b(b)(5) shall not exceed \$1,000,000.00 from the general fund.~~

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

14 ~~(c) Overall gross cap on total employment growth incentive and education~~
15 ~~tax incentive authorizations. For any calendar year, the total amount of~~
16 ~~employment growth incentives the Vermont economic progress council or the~~
17 ~~economic incentive review board is authorized to approve under 32 V.S.A.~~
18 ~~§ 5930b and property tax stabilizations and allocations under 32 V.S.A.~~
19 ~~§ 5404a(a) and (e) shall not exceed \$10,000,000.00 from the general fund and~~
20 ~~education fund combined each year. This maximum annual amount may be~~

1 ~~exceeded by the Vermont economic progress council upon application to and~~
2 ~~approval by the Emergency Board. [Repealed.]~~

3 Sec. 4. 10 V.S.A. § 531(d) is amended to read:

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

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

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

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

1 Sec. 5. ALLOCATION OF VEGI REVENUES FOR WORKFORCE

2 TRAINING

3 Notwithstanding any provision of law to the contrary, the Secretary of
4 Administration shall have the authority to allocate up to 20 percent of the
5 State's share of revenues generated by earnings through the Vermont
6 Employment Growth Incentive, up to \$2.5 million, to the Agency of
7 Commerce and Community Development to provide workforce training for
8 Vermont employers in advance manufacturing and information technology.

9 Secs. 6-10 [Reserved.]

10 * * * Education and Workforce Training * * *

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

12 § 2888. VERMONT STRONG SCHOLARS AND INTERNSHIP

13 INITIATIVE

14 (a) Creation.

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

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

1 (A) encourage students to:

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

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

6 (iii) live and work in Vermont upon graduation;

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

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

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

14 (b) Vermont Strong Loan Forgiveness Program.

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

16 (A) Annually, on or before November 15, the Secretary of Commerce
17 and Community Development and the Commissioner of Labor, in consultation
18 with the Vermont State Colleges, the University of Vermont, the Vermont
19 Student Assistance Corporation, the Secretary of Human Services, and the
20 Secretary of Education, shall identify ~~economic sectors~~ occupations, projecting

1 at least four years into the future, that are or will be critical to the Vermont
2 economy.

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

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

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

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

1 (C) becomes employed on a full-time basis in Vermont within
2 12 months of graduation in an ~~economic sector~~ occupation identified by the
3 Secretary and Commissioner under subdivision (1) of this subsection;

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

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

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

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

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

19 (C) ~~Loan~~ loan forgiveness may be awarded on a prorated basis to an
20 otherwise eligible Vermont resident who transfers to ~~and is graduated from~~ a

1 Vermont postsecondary institution and graduates after July 1, 2017, with an
2 associate's degree or after July 1, 2019, with a bachelor's degree.

3 (4) Management.

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

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

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

12 (c) Vermont Strong Internship Program.

13 (1) Internship Program management.

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

19 (B) The Commissioner, in consultation with the Secretary, shall issue
20 a request for proposals for a person to serve as an Internship Program
21 Intermediary, who shall perform the duties and responsibilities pursuant to the

1 terms of a performance contract negotiated by the Commissioner and the
2 Intermediary.

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

8 (D) The Program Intermediary shall:

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

11 (ii) cultivate relationships with employers, employer-focused
12 organizations, and State and regional government bodies;

13 (iii) build relationships with Vermont postsecondary institutions
14 and facilitate recruitment of students to apply for available internships;

15 (iv) create and maintain a registry of participating employers and
16 associated internship opportunities;

17 (v) coordinate and provide support to the participating student, the
18 employer, and the student's postsecondary institution;

19 (vi) develop and oversee a participation contract between each
20 student and employer, including terms governing the expectations for the

1 internship, a work plan, mentoring and supervision of the student, reporting by
2 the employer and student, and compensation terms; and

3 (vii) carry out any additional activities and duties as directed by
4 the Commissioner.

5 (2) Qualifying internships.

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

8 (i) be with a Vermont employer as approved by the Intermediary
9 in consultation with the Commissioner and Secretary;

10 (ii) pay compensation to an intern of at least the prevailing
11 minimum wage; and

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

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

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

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

3 (B) a student who graduated from a postsecondary institution within
4 24 months of entering the program who was classified as a Vermont resident
5 during that schooling or who is a student who attended a postsecondary
6 institution in Vermont; or

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

8 (d) Funding.

9 (1) Loan Forgiveness Program.

10 (A) Loan forgiveness; State funding.

11 (i) There is created a special fund to be known as the Vermont
12 Strong Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, which
13 shall be used and administered by the Secretary of Commerce and Community
14 Development solely for the purposes of loan forgiveness pursuant to this
15 section.

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

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

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

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

9 (2) Internship Program. Notwithstanding any provision of law to the
10 contrary, the Commissioner of Labor shall have the authority to use funds
11 allocated to the Workforce Education and Training Fund established in
12 10 V.S.A. § 543 to implement the Internship Program created in this section.

13 Sec. 12. ADVANCED MANUFACTURING AND INFORMATION
14 TECHNOLOGY PROGRAMS

15 The Agency of Commerce and Community Development shall design and
16 implement two programs focused to increase workforce capacity in the sectors
17 of advanced manufacturing and information technology.

18 (1) Advanced Technology and Information Technology Readiness
19 Training Program. This training program shall provide training in critical,
20 immediate-term workforce need areas including technicians, mechanical and

1 technical skills, machinist training, web and graphic development, coding, and
2 health care technology services.

3 (2) Advance Manufacturing and Information Technology Employee
4 Development, Education, and Certification Program. This program shall
5 provide training in long-term critical workforce need areas including
6 technicians, mechanical and technical skills, machinist training, web design,
7 graphic development, coding, and health care technology services. This
8 program shall also provide allocations for education and training providers to
9 graduate and find jobs for Vermonters in Vermont employers in these sectors.

10 Secs. 13-19 [Reserved.]

11 * * * Tourism and Marketing * * *

12 Sec. 20. TOURISM AND MARKETING INITIATIVE

13 (a) Of the amount by which the meals and rooms tax revenue for fiscal year
14 2016 projected at the January 20, 2015, Emergency Board meeting exceeds the
15 fiscal year 2016 projection for the meals and rooms tax at the July 24, 2014,
16 Emergency Board meeting, up to 15 percent, but not more than \$750,000.00, is
17 appropriated to the Agency of Commerce and Community Development as
18 funding for a targeted economic development marketing brand initiative to
19 promote Vermont as a great place to do business.

1 (b) The Agency of Commerce and Community Development shall contract
2 with a private marketing firm located in Vermont to carry out the brand
3 initiative pursuant to this section.

4 **[Sec. 21. 3 V.S.A. chapter 47, subchapter 7 is added to read:]**

5 Subchapter 7. Vermont: Innovative by Nature

6 § 2551. VERMONT BRAND; ECONOMIC DEVELOPMENT AND

7 TOURISM STRATEGY

8 (a) Vermont: Innovative by Nature. The Agency of Commerce and
9 Community Development shall design, maintain, and promote an integrated
10 economic development and tourism and marketing brand initiative entitled
11 “Vermont: Innovative by Nature” that incorporates a new vision of Vermont
12 environmentalism, one which equally promotes both the qualities of the natural
13 environment and the many positive features of the current economic
14 environment in the State.

15 (b) Marketing the Vermont Brand. The brand initiative shall convey the
16 message that what makes Vermont a great place makes Vermont a great place
17 to do business, highlighting:

18 (1) Vermont’s long history of innovation, including agricultural,
19 business, and technical innovation, product design, and entrepreneurship;

20 (2) the multitude and diversity of successful start-up businesses in
21 environmental technology, health technology, advanced manufacturing,

1 services technology, biotechnology, recreation technology, and social
2 technology;

3 (3) the benefits of Vermont’s size, scale, and accessibility to
4 government officials and resources, which make Vermont a State where
5 business can start small and grow; and

6 (4) the benefits of Vermont’s educational and workforce development
7 resources, and its highly skilled and highly educated population.

8 (c) Tourism and Marketing. The Agency shall integrate the Vermont:
9 Innovative by Nature brand initiative as appropriate into its tourism and
10 marketing materials, partnerships, and promotions:

11 (1) to increase occupancy rates, tourism spending, and State revenues
12 generated through the rooms and meals tax; and

13 (2) to promote Vermont’s image as a desirable location both for
14 recreation and for business development.

15 (d) Economic Development Supporting Existing and Future Businesses.

16 (1) The Agency shall design and implement the Vermont: Innovative by
17 Nature brand initiative:

18 (A) to recruit and develop new businesses and to maintain growth of
19 and provide support to existing businesses; and

1 (B) to enable Vermont businesses to align their own brand identities
2 with the Vermont brand, enhancing the reputations of both the business and
3 the State.

4 (2) The Agency shall establish outreach and information-gathering
5 procedures that will allow Vermont businesses to comment on the design and
6 implementation of the Vermont: Innovative by Nature initiative and also to
7 provide ongoing feedback to the Agency on the effectiveness of the initiative.

8 § 2552. FUNDING

9 (a) In addition to any other funds appropriated to the Department of
10 Tourism and Marketing, in each fiscal year, the General Assembly shall
11 appropriate to the Department for the purpose of implementing section 2551 of
12 this title 75 percent of the amount by which the total meals and rooms tax
13 revenue collected in the immediately preceding fiscal year exceeds the total
14 meals and rooms tax revenue collected in the fiscal year two years preceding
15 the current fiscal year.

16 (b) The additional amount appropriated in a fiscal year pursuant to this
17 section shall not exceed \$2,000,000.00.

18 Secs. 22-29 [Reserved.]

19 * * * Tax Credits * * *

20 Sec. 30. 32 V.S.A. chapter 245 is added to read:

21 CHAPTER 245: TAX CREDITS

1 § 11001. MOTION PICTURE PRODUCTION TAX CREDIT

2 (a) Definitions. In this section:

3 (1) “Agency” means the Agency of Commerce and Community

4 Development.

5 (2)(A) “Motion picture” means a feature-length film, video, video game,
6 television series, or commercial made in Vermont, in whole or in part, for
7 commercial distribution.

8 (B) “Motion picture” does not mean a television production featuring
9 news, current events, weather, financial market reports, sporting events, award
10 shows, productions solely for fundraising, long-form productions primarily to
11 market a product or service, or productions containing obscene material.

12 (3) “Motion picture production company” means a person engaged in
13 the business of producing motion pictures, but shall not include a person in
14 default on taxes owed to the State or on a loan made or guaranteed by the
15 State.

16 (4)(A) “Production expenditures” means preproduction, production, and
17 postproduction expenditures directly incurred in the production of a motion
18 picture.

19 (B) “Production expenditures” includes wages and salaries paid to
20 individuals employed in Vermont in the production of the motion picture, but
21 does not include wages or salaries in excess of \$1 million for any one

1 individual for one motion picture production; and the costs of the following
2 activities: set construction and operation, editing and related services,
3 photography, sound synchronization, lighting, wardrobe, make-up and
4 accessories; film processing, transfer, mixing, special and visual effects;
5 music; location fees and the cost of purchase or rental of facilities and
6 equipment; or any other production expense that may be determined by the
7 secretary to be an eligible production expense.

8 (C) “Production expenditures” does not include costs incurred for
9 marketing or advertising a motion picture.

10 (5) “Secretary” means the Secretary of the Agency of Commerce and
11 Community Development.

12 (6) “State-certified production” means a motion picture production
13 certified by the Agency, pursuant to rules adopted by the Agency, and
14 produced by a motion picture production company that has signed a reasonable
15 distribution plan with a major theatrical exhibitor, a television network, or a
16 cable television program.

17 (b) Motion picture production company tax credit. A motion picture
18 production company shall be allowed any or all of the following:

19 (1) A refundable credit against the income tax imposed under chapter
20 151 of this title in the amount of 25 percent of the production expenditures
21 incurred in the taxable year within the State, and directly related to a

1 production filmed in Vermont with a total production budget of at least
2 \$250,000.00, as certified by the Secretary.

3 (2) A refundable credit against the income tax imposed under chapter
4 151 of this title in the amount of 15 percent of production expenditures
5 incurred in the taxable year outside the State for items not available in
6 Vermont and which are directly related to a production filmed in Vermont with
7 a total production budget of at least \$250,000.00, as certified by the Secretary.

8 (3) A refundable credit against the income tax imposed under chapter
9 151 of this title in the amount of 10 percent of production expenditures
10 incurred in the taxable year within the State directly related to a 100-percent
11 animated production or a production for game consoles with embedded online
12 capabilities, as certified by the Secretary.

13 (c) Certification and administration.

14 (1) The Secretary shall determine by rule criteria for qualification of
15 motion picture projects in accordance with this section.

16 (2) Upon completion of the state-certified production, the Secretary
17 shall review the production expenditures and issue a credit certificate to the
18 taxpayer.

19 (3) A taxpayer applying for the credit certification shall reimburse the
20 Secretary for any audit the Secretary determines is required to certify the
21 credit.

1 § 11002. ANGEL INVESTOR TAX CREDIT

2 (a) A qualified taxpayer who makes an eligible venture capital investment:

3 (1) may claim a credit against his or her income tax liability imposed
4 under chapter 151 of this title for 50 percent of the value of each eligible
5 venture capital investment per qualifying business made during a taxable year;

6 (2) may claim credit in increments of 25 percent of the total credit over
7 four years; provided that the amount of the credit allowed under this section for
8 any one taxable year may not exceed 50 percent of the taxpayer's income tax
9 liability for the taxable year before application of the credit; and

10 (3) may carry forward for up to 10 years the value of credit that the
11 taxpayer could not claim due to the limitations in subdivision (2) of this
12 subsection.

13 (b)(1) The maximum aggregate investment in any one qualifying business
14 for which a single qualified investor may receive tax credit under this section is
15 limited to \$500,000.00 in any three consecutive years.

16 (2) The maximum aggregate investment in any one qualified business
17 for which all qualified investors may receive tax credit under this section is
18 limited to \$5,000,000.00.

19 (c)(1) To claim a credit pursuant to this section, a qualified taxpayer shall
20 submit to the Agency of Commerce and Community Development

1 documentation and any additional information requested by the Agency
2 necessary to demonstrate compliance with the requirements of this section.

3 (2) The Agency, upon review and confirmation of the qualified
4 taxpayer’s eligibility for a credit, shall issue a credit certificate to the taxpayer,
5 who shall file the certificate with the Department of Taxes with his or her State
6 income tax return for the applicable year.

7 (d) In this section:

8 (1) “At-risk debt” means debt which is not secured, is not guaranteed by
9 a substantial owner of the business, will not be repaid for at least five years, or
10 bears a reasonable rate of interest.

11 (2) “Eligible venture capital investment” means up to \$500,000.00 of
12 total investment by one person, which is equity or at-risk debt investment in
13 one qualified business, for expenditure by the qualified business on the plant,
14 equipment, research, and development, or as working capital in Vermont.

15 (3) “Qualified business” means a business that:

16 (A) has its principal place of business in this State;

17 (B) had in the year preceding the investment annual gross sales of
18 \$3,000,000.00 or less; and

19 (C)(i) is a manufacturer;

20 (ii) is engaged in the development or application of advanced
21 technologies;

1 (iii) provides a service that is sold or rendered, or is projected to
2 be sold or rendered, predominantly outside of the State;

3 (iv) brings capital into the State, as determined by the Agency of
4 Commerce and Community Development; or

5 (v) is a visual media production company, as determined by the
6 Agency of Commerce and Community Development.

7 (4) “Qualified taxpayer” means a taxpayer who is not a substantial
8 owner of the qualified business.

9 (5) “Substantial owner” means a person who, after the investment, has
10 greater than 20 percent ownership interest in the qualified business, including
11 attribution of ownership interests of the individual’s spouse, parents, spouse’s
12 parents, siblings, and children; or is a person who is controlled by, or has
13 actual control of, the qualified business through any combination of ownership
14 and management.

1 § 11003. MILLENNIAL ENTERPRISE ZONE TAX CREDIT

2 (a) Purpose. The purpose of this section is to create incentives through tax
3 credits for:

4 (1) creating new, high-paying jobs in advanced manufacturing, value-
5 added food production, information technology, or in a new, next generation
6 industry; and

7 (2) investing capital in research, design, and facilities in these sectors.

8 (b) Designation. The Secretary of Commerce and Community
9 Development shall have the authority to declare a millennial enterprise zone,
10 which may be a virtual space or geographical area, or both, where one or more
11 persons are investing human, intellectual, physical, or economic capital in
12 building a business in advanced manufacturing, value-added food, information
13 technology, or in a new, next generation industry.

14 (c) Tax credit.

15 (1) A person shall be eligible for a credit against his or her income tax
16 liability imposed under chapter 151 of this title for job creation or investment
17 within a designated millennial enterprise zone in a tax year, as follows:

18 (A) X% of the value of the gross wages and benefits of each new,
19 full-time job created and maintained for 12 months.

20 (B) X% of the value of capital investment in real or personal property
21 of the business.

1 (C) 10% of the value of the business’s research and design
2 investment.

3 (2) The amount of total credit available pursuant to this section shall not
4 exceed 50% of a person’s tax liability per taxable year.

5 (3) A person who is eligible for credit but unable to claim the full
6 amount because of the cap under subdivision (2) of this subsection may carry
7 forward the value of any unused credit for up to five years.

8 (4) Upon application and demonstration that a person meets the criteria
9 to qualify for credit under this section, the Secretary of Commerce and
10 Community Development shall issue a tax certificate to the person, who shall
11 file the certificate with his or her tax return in each year he or she wishes to
12 claim available credit.

13 (d) The Secretary of Commerce and Community Development shall have
14 the authority to adopt rules and procedures to implement the provisions of this
15 section.

16 Sec. 31. 32 V.S.A. § 5930u is amended to read:

17 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

18 (a) As used in this section:

19 (1) “Affordable housing project” or “project” means:

20 (A) a rental housing project identified in 26 U.S.C. § 42(g); or

1 (B) owner-occupied housing identified in 26 U.S.C. § 143(e) and (f)
2 and eligible (c)(1) or that qualifies under the Vermont Housing Finance
3 Agency ~~allocation plan~~ criteria governing owner-occupied housing.

4 (2) “Affordable housing tax credits” means the tax credit provided by
5 this subchapter.

6 (3) “Allocating agency” means the Vermont Housing Finance Agency.

7 (4) “Committee” means the Joint Committee on Tax Credits consisting
8 of five members: a representative from the Department of Housing and
9 Community Affairs, the Vermont Housing and Conservation Board, the
10 Vermont Housing Finance Agency, the Vermont State Housing Authority, and
11 the Office of the Governor.

12 (5) “Credit certificate” means a certificate issued by the allocating
13 agency to a taxpayer that specifies the amount of affordable housing tax credits
14 that can be applied against the taxpayer’s individual or corporate income tax or
15 franchise or insurance premium tax liability as provided in this subchapter.

16 (6) “Eligible applicant” means any municipality, private sector
17 developer, ~~department of state government as defined in 10 V.S.A. § 6302(a),~~
18 State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing Finance
19 Agency, or a nonprofit organization qualifying under 26 U.S.C. § 501(c)(3); or
20 cooperative housing organization, the purpose of which is ~~the creation and~~
21 ~~retention of~~ to create and retain affordable housing for ~~lower income~~

1 Vermonters; with lower income and ~~the~~ which has in its bylaws ~~that require a~~
2 requirement that housing to the housing the organization creates be maintained
3 as affordable housing for ~~lower income~~ Vermonters with lower income on a
4 perpetual basis.

5 (7) “Eligible cash contribution” means an amount of cash contributed to
6 the owner, developer, or sponsor of an affordable housing project and
7 determined by the allocating agency as eligible for affordable housing tax
8 credits.

9 (8) “Section 42 credits” means tax credit provided by 26 U.S.C.
10 §§ 38 and 42.

11 (9) “Allocation plan” means the plan recommended by the Committee
12 and approved by the Vermont Housing Finance Agency, which sets forth the
13 eligibility requirements and process for selection of eligible housing projects to
14 receive affordable housing tax credits under this section. The allocation plan
15 shall include:

16 (A) requirements for creation and retention of affordable housing for
17 ~~low income~~ persons; with low income; and

18 (B) requirements to ensure that eligible housing is maintained as
19 affordable by subsidy covenant, as defined in 27 V.S.A. § 610 on a perpetual
20 basis, and meets all other requirements of the Vermont Housing Finance
21 Agency related to affordable housing.

1 (b) Eligible tax credit allocations.

2 (1) Affordable housing credit allocation.

3 (A) An eligible applicant may apply to the allocating agency for an
4 allocation of affordable housing tax credits under this section related to an
5 affordable housing project authorized by the allocating agency under the
6 allocation plan. In the case of a specific affordable rental housing project, the
7 eligible applicant ~~must~~ shall also be the owner or a person having the right to
8 acquire ownership of the building and ~~must~~ shall apply prior to placement of
9 the affordable housing project in service. In the case of owner-occupied
10 housing units, the applicant ~~must apply prior to purchase of the unit and must~~
11 shall ensure that the allocated funds ~~will be used to ensure that the housing~~
12 ~~qualifies or program funds remain~~ as an affordable housing resource for all
13 future owners ~~of the housing~~. The allocating agency shall issue a letter of
14 approval if it finds that the applicant meets the priorities, criteria, and other
15 provisions of subdivision ~~(2)(B)~~ of this ~~subsection~~ subdivision (1). The burden
16 of proof shall be on the applicant.

17 ~~(2)(B)~~ Upon receipt of a completed application, the allocating agency
18 shall award an allocation of affordable housing tax credits with respect to a
19 project ~~under this section shall be granted~~ to an applicant, provided the
20 applicant demonstrates to the satisfaction of the ~~committee~~ allocating agency
21 all of the following:

1 ~~(A)~~(i) The owner of the project has received from the allocating
2 agency a binding commitment for, a reservation or allocation of, or an
3 out-of-cap determination letter for, Section 42 credits, or meets the
4 requirements of the allocation plan for development or financing of units to be
5 owner-occupied;

6 ~~(B)~~(ii) The project has received community support.

7 (2) Down payment assistance program.

8 (A) The Vermont Housing Finance Agency shall have the authority
9 to allocate affordable housing tax credits to finance down payment assistance
10 loans that meet the following requirements:

11 (i) the loan is made in connection with a mortgage through an
12 Agency program;

13 (ii) the borrower is a first-time homebuyer of an owner-occupied
14 primary residence; and

15 (iii) the borrower uses the loan for the borrower's down payment,
16 or closing costs, or both.

17 (B) The Agency shall require the borrower to repay the loan upon the
18 sale or refinance of the residence.

19 (C) The Agency shall use the proceeds of loans made under the
20 program for future down payment assistance.

1 (c) Amount of credit. A taxpayer who makes an eligible cash contribution
2 shall be entitled to claim against the taxpayer's individual income, corporate,
3 franchise, or insurance premium tax liability a credit in an amount specified on
4 the taxpayer's credit certificate. The first-year allocation of a credit amount to
5 a taxpayer shall also be deemed an allocation of the same amount in each of
6 the following four years.

7 (d) Availability of credit. The amount of affordable housing tax credit
8 allocated with respect to a project shall be available to the taxpayer every year
9 for five consecutive tax years, beginning with the tax year in which the eligible
10 cash contribution is made. Total tax credits available to the taxpayer shall be
11 the amount of the first-year allocation plus the succeeding four years' deemed
12 allocations.

13 (e) Claim for credit. A taxpayer claiming affordable housing tax credits
14 shall submit with each return on which such credit is claimed a copy of the
15 allocating agency's credit allocation to the affordable housing project and the
16 taxpayer's credit certificate. Any unused affordable housing tax credit may be
17 carried forward to reduce the taxpayer's tax liability for no more than 14
18 succeeding tax years, following the first year the affordable housing tax credit
19 is allowed.

20 (f) ~~{Deleted.}~~ [Repealed.]

21 (g)(1) In any fiscal year, the allocating agency may award up to:

1 (A) \$400,000.00 in total first-year credit allocations to all applicants
2 for rental housing projects, for a total aggregate limit of \$2,000,000.00 over
3 any given five-year period that credits are available under this subdivision; and
4 ~~may award up to~~

5 (B) \$300,000.00 per year for owner-occupied unit applicants
6 financing or down payment loans consistent with the allocation plan, including
7 for new construction and manufactured housing, for a total aggregate limit of
8 \$1,500,000.00 over any given five-year period that credits are available under
9 this subdivision.

10 (2) In fiscal years 2016 through 2020, the allocating agency may award
11 up to \$125,000.00 per year for loans through the down payment assistance
12 program created in subdivision (b)(2) of this section for a total aggregate limit
13 of \$625,000.00 over the five-year period that credits are available under this
14 subdivision.

15 (h) ~~In any fiscal year, total first-year allocations plus succeeding year~~
16 ~~deemed allocations shall not exceed \$3,500,000.00.~~ The aggregate limit for all
17 credit allocations available under this section in any fiscal year is
18 \$4,125,000.00.

19 Secs. 32-39. [Reserved.]

20 * * * Manufacturing; Energy Rates* * *

21 Sec. 40. 10 V.S.A. § 280bb is amended to read:

1 § 280bb. VERMONT ENTREPRENEURIAL LENDING PROGRAM

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

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

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

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

17 (b) The Authority shall adopt regulations, policies, and procedures for the
18 Program as are necessary to increase the amount of investment funds available
19 to Vermont businesses whose capital requirements are not being met by
20 conventional lending sources.

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

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

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

11 (3) The business adopts energy and thermal efficiency practices in its
12 operations or otherwise operates in a way that reflects a commitment to green
13 energy principles.

14 (4) The business will create jobs that pay a livable wage and significant
15 benefits to Vermont employees.

16 (d) The Authority shall include provisions in the terms of an loan made
17 under the Program to ensure that a loan recipient shall maintain operations
18 within the State for a minimum of five years from the date on which the
19 recipient receives the loan funds from the Authority or shall otherwise be
20 required to repay the outstanding funds in full.

21 Sec. 41. 30 V.S.A. § 218 is amended to read:

1 § 218. JURISDICTION OVER CHARGES AND RATES

2 * * *

3 (h) Notwithstanding any provision of law to the contrary, when approving a
4 rate design pursuant to this section, the Board shall ensure that any demand
5 charge applicable to a utility customer is calculated based the customer's usage
6 on not more than a quarterly basis and that the demand charge applies only
7 during the quarter in which the customer's usage met or exceeded a level
8 sufficient to trigger the charge.

9 Secs. 42-49. [Reserved]

10 * * * Land Use * * *

11 Sec. 50. DESIGNATED CENTER

12 Sec. 51. Umbrella Permit

13 Sec. 52. Enterprise Zones

14 Sec. 53. ACT 250; CRITERION 9(L) PROCESS GUIDANCE

15 (a)(1) To promote new development consistent with Vermont's historic
16 development pattern of compact centers surrounded by working lands, the
17 General Assembly amended 10 V.S.A. § 6086(a)(9)(L) to encourage the
18 efficient use of land, roads, utilities and other infrastructure and promote
19 development within existing settlements, effective June 1, 2014.

20 (2) Since then, the Natural Resource Board has worked with the Agency
21 of Commerce and Community Development, the Agency of Natural Resources

1 and others to provide training and guidance to state agencies, Regional
2 Planning Commissions, trade associations, municipal planners, development
3 consultants, attorneys and others about this change to the Act 250 criterion.
4 The Natural Resources Board also issued a Criterion 9 (L) Procedure, effective
5 October 17, 2014 consistent with 3 V.S.A. § 835, to explain how the law
6 works.

7 (3) The General Assembly finds that more education and improved
8 guidance on 10 V.S.A. § 6086(a)(9)(L) is needed and beneficial and directs the
9 agencies named above as follows.

10 (b)(1) The Natural Resources Board shall revise its Criterion 9(L)
11 Procedures in collaboration with the Agency of Commerce and Community
12 Development and the Agency of Natural Resources, and with input from
13 stakeholders including planners, developers, municipalities and environmental
14 organizations.

15 (2) The Agency of Commerce and Community Development shall
16 subsequently work with the Natural Resources Board and Agency of Natural
17 Resources to develop outreach material including illustrative examples and
18 implement a training plan Criterion 9(L) to elected officials, municipal boards,
19 state and regional organizations and associations, environmental groups,
20 consultants and members of the development community.

21 * * * Economic Development Planning

1 (4) The Development Cabinet may establish interagency work groups to
2 support its mission, drawing membership from any agency or department of
3 State government.

4 (5) Any interagency work groups established under this subsection shall
5 evaluate, test the feasibility of, and suggest alternatives to economic
6 development proposals, including proposals for public-private partnerships,
7 submitted to them for consideration.

8 (6) The Development Cabinet shall refer to appropriate interagency
9 workgroups any economic development proposal that has a significant impact
10 on the inventory or use of State land or buildings.

11 (c) All State agencies that have programs or take actions affecting land use,
12 including those identified under 3 V.S.A. chapter 67, shall, through or in
13 conjunction with the members of the Development Cabinet:

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

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

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

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

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

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

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

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

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

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

3 (11) Repealed.]

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

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

13 (d)(1) ~~Pursuant to the recommendations of the Oversight Panel on~~
14 ~~Economic Development created in 2010 Acts and Resolves No. 146, Sec. 66,~~
15 ~~the~~ The Development Cabinet shall create an interagency work group as
16 provided in subsection (b) of this section with the Secretary of Commerce and
17 Community Development serving as its chair.

18 (2) The mission of the Work Group shall be to develop a long-term
19 economic development plan for the State, which shall identify goals and
20 recommend actions to be taken over ten years, and which shall be consistent
21 with the four goals of economic development identified in 10 V.S.A. § 3 and

1 the outcomes for economic development identified in 2010 Acts and Resolves
2 No. 68, Sec. 8.

3 (e)(1) On or before January 15, ~~2014~~ 2016, and every two years thereafter,
4 the Development Cabinet or its Work Group shall complete a long-term
5 economic development plan as required under subsection (d) of this section
6 and recommend it to the Governor.

7 (2) Commencing with the plan due on or before January 15, ~~2016~~ 2018,
8 the Development Cabinet or its Work Group may elect only to prepare and
9 recommend to the Governor an update of the long-term economic development
10 plan.

11 (3) Administrative support for the economic development planning
12 efforts of the Development Cabinet or its Work Group shall be provided by the
13 Agency of Commerce and Community Development.

14 (f) Limitations. This Cabinet is strictly an information gathering and
15 coordinating cabinet and confers no additional enforcement powers.

16 Sec. 61. STRATEGIC EMPLOYER DESIGNATION

17 (a) The Governor shall have the authority to designate as a “Strategic
18 Employer” a for-profit businesses that is an export-oriented, dollar-importing
19 economic contributor and employer.

1 (b) The Governor may designate up to 10 businesses in each county, except
2 Chittenden County, where he or she may designate up to 15 businesses. The
3 period of the designation shall be three years.

4 (c) Notwithstanding any provision of law to the contrary, pursuant to
5 procedures adopted by the Agency of Commerce and Community
6 Development for the purpose of implementing this section, during the period
7 of designation a Strategic Employer shall be eligible to receive:

8 (1) targeted property tax incentives;

9 (2) energy surcharge exemptions;

10 (3) access to lower-cost electric rates;

11 (4) priority authorization and allocation of funding for workforce
12 education and training funds and programs; and

13 (5) priority authorization and allocation of funding for Vermont
14 Employment Growth Incentives.

15
16 Sec. 100. EFFECTIVE DATES

17 This act shall take effect on July 1, 2015, except, notwithstanding 1 V.S.A.
18 § 214, Secs. 1–4 (Vermont Employment Growth Incentive provisions) shall
19 take effect retroactively as of January 1, 2015.