

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 promote  
6 economic development through provisions relating to the Vermont  
7 Employment Growth Incentive (VEGI) program; education and workforce  
8 training; tourism and marketing; targeted tax credits for motion picture  
9 production, angel investors, millennial enterprise zones, and first-time  
10 homebuyer down payment assistance; manufacturing and energy rates; land  
11 use and economic development planning; and business growth and access to  
12 capital

13 An act relating to promoting economic development

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

15 \* \* \* Vermont Employment Growth Incentive \* \* \*

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

17 (2) The new jobs should make a net positive contribution to employment  
18 in the area, and meet or exceed the ~~prevailing compensation level including~~  
19 ~~wages and benefits, for the particular employment sector~~ livable wage at the  
20 time of application, as calculated pursuant to 2 V.S.A. § 505(a)(3). The new

1 jobs should offer benefits and opportunities for advancement and professional  
2 growth consistent with the employment sector.

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

4 § 5930b. VERMONT EMPLOYMENT GROWTH INCENTIVE

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

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

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

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

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

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

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

3           (7) “But-for” means the determination of whether, in the absence of the  
4 economic incentive sought, the proposed economic development would not  
5 occur or would occur in a significantly different and significantly less desirable  
6 manner.

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

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

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

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

17          (12) [Repealed.]

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

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

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

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

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

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

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

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

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

1 (A) award period year base payroll; minus

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

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

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

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

13 (24) “Wage threshold” means the minimum annualized Vermont gross  
14 wages and salaries paid, as determined by the Council, but not less than  
15 ~~60 percent above the minimum wage at the time of application, in order for a~~  
16 ~~new job to be a qualifying job under this section~~ the livable wage at the time of  
17 application, as calculated pursuant to 2 V.S.A. § 505(a)(3).

18 (b) Authorization process.

19 (1) A business may apply to the Vermont Economic Progress Council  
20 for approval of a performance-based employment growth incentive to be paid  
21 out of the business’s withholding account upon approval by the Department of

1 Taxes pursuant to the conditions set forth in this section. Businesses shall not  
2 be permitted to deduct approved incentives from withholding liability  
3 payments otherwise due. In addition to any other information that the Council  
4 may require in order to fulfill its obligations under section 5930a of this title,  
5 an employment growth incentive application shall include all the following  
6 information:

- 7 (A) application base number of jobs;
- 8 (B) total jobs at time of application;
- 9 (C) application base payroll;
- 10 (D) total payroll at time of application;
- 11 (E) jobs target for each year in the award period;
- 12 (F) payroll target for each year in the award period;
- 13 (G) capital investment target for each year in the award period; and
- 14 (H) a statement signed by the president or chief executive officer or  
15 equivalent acknowledging that to the extent the applicant fails to meet the  
16 minimum capital investment by the end of the award period, any incentives  
17 remaining to be earned shall be limited, and any incentives taken shall be  
18 subject to complete or partial reversal, pursuant to subdivisions (c)(10) and  
19 (11) of this section.

20 (2) The Council shall review each application in accordance with  
21 section 5930a of this title, except that the Council may provide for an initial

1 approval pursuant to the conditions set forth in subsection 5930a(c), followed  
2 by a final approval at a later date, before December 31 of the calendar year in  
3 which the economic activity commences.

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

14 
$$\text{Authorized award amount} \div \text{the five-year sum of all payroll targets}$$

15 (4) An approval shall specify: the application base jobs at the time of the  
16 application; total jobs at time of application; the application base payroll; total  
17 payroll at time of application; the incentive percentage; the wage threshold; the  
18 payroll thresholds; a job target for each year of the award period; a payroll  
19 target for each year of the award period; a capital investment target for each  
20 year of the award period and description sufficient for application of  
21 subdivisions (c)(10) and (11) of this section of the nature of qualifying capital

1 investment over the award period upon which approval shall be conditioned;  
2 and the amount of the total award. The Council shall provide a copy of each  
3 approval to the Department of Taxes along with a copy of the application  
4 submitted by that applicant.

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

13 (c) Claiming an employment growth incentive.

14 \* \* \*

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



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

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

\* \* \*

(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

1 Vermont Training Program or the Workforce Education and Training Fund  
2 pursuant to subdivision (2) of this subsection.

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

7 (5) Upon notification by the Council, the Department of Taxes shall  
8 disburse the full remaining value of the business's incentive, less the value of  
9 the reimbursement to the Vermont Training Program or the Workforce  
10 Education and Training Fund for training expenses pursuant to subdivision (3)  
11 of this subsection.

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

18 (B) The amount of recapture shall equal the sum of the installments  
19 that the Department would have disbursed if it had paid the incentive in  
20 five-year installments pursuant to subdivision (c)(2) of this section for the

1 years during the utilization period that the qualifying jobs or qualifying payroll  
2 were not maintained.

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

4 (1) As used in this subsection, a "value-added business" means a person  
5 that is subject to income taxation in Vermont and whose current or prospective  
6 economic activity in Vermont for which incentives are sought under this  
7 section is certified by the Secretary of Commerce and Community  
8 Development to be primarily in one or more of the following sectors:

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

10 (B) information processing or information management services,

11 including:

12 (i) computer hardware or software, and information and  
13 communication technologies, such as high-level software languages, graphics  
14 hardware and software, speech and optical character recognition, high-volume  
15 information storage and retrieval, and data compression;

16 (ii) technological applications that use biological systems, living  
17 organisms or derivatives thereof, to make or modify products or processes for  
18 specific use;

19 (iii) custom computer programming services, such as writing,  
20 modifying, testing, and supporting software to meet the needs of a particular  
21 customer;

1                   (iv) computer systems design services such as planning and  
2                   designing computer systems that integrate computer hardware, software, and  
3                   communication technologies;

4                   (v) computer facilities management services, such as providing  
5                   on-site management and operation of clients' computer systems and/or data  
6                   processing facilities.

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

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

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

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

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

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

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

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

6           ~~(a) Net negative awards cap. Notwithstanding any other provision of law,~~  
7           ~~in any calendar year, the annual authorization for the total net fiscal cost of~~  
8           ~~Vermont employment growth incentives that the Vermont economic progress~~  
9           ~~council or the economic incentive review board may approve under 32 V.S.A.~~  
10           ~~§ 5930b(b)(5) shall not exceed \$1,000,000.00 from the general fund.~~

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

18           ~~(c) Overall gross cap on total employment growth incentive and education~~  
19           ~~tax incentive authorizations. For any calendar year, the total amount of~~  
20           ~~employment growth incentives the Vermont economic progress council or the~~  
21           ~~economic incentive review board is authorized to approve under 32 V.S.A.~~

1 ~~§ 5930b and property tax stabilizations and allocations under 32 V.S.A.~~  
2 ~~§ 5404a(a) and (e) shall not exceed \$10,000,000.00 from the general fund and~~  
3 ~~education fund combined each year. This maximum annual amount may be~~  
4 ~~exceeded by the Vermont economic progress council upon application to and~~  
5 ~~approval by the Emergency Board. [Repealed.]~~

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

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

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

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

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

3 Secs. 5-9. [Reserved.]

4                           \* \* \* Education and Workforce Training \* \* \*

5 Sec. 10. VERMONT STRONG SCHOLARS LOAN FORGIVENESS

6                           FINDINGS; INTENT.

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

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

15 § 2888. VERMONT STRONG SCHOLARS AND INTERNSHIP

16                           INITIATIVE

17           (a) Creation.

18           (1) There is created a postsecondary loan forgiveness and internship  
19 initiative designed to forgive a portion of Vermont Student Assistance  
20 Corporation loans of students employed in ~~economic sectors~~ occupations



1 identified as important to Vermont’s economy and to build internship  
2 opportunities for students to gain work experience with Vermont employers.

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

5 (A) encourage students to:

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

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

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

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

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

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

18 (b) Vermont Strong Loan Forgiveness Program.

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

20 (A) Annually, on or before November 15, the Secretary of Commerce  
21 and Community Development and the Commissioner of Labor, in consultation

1 with the Vermont State Colleges, the University of Vermont, the Association  
2 of Vermont Independent Colleges, the Vermont Student Assistance  
3 Corporation, the Secretary of Human Services, and the Secretary of Education,  
4 shall identify ~~economic sectors~~ occupations, projecting at least four years into  
5 the future, that are or will be critical to the Vermont economy.

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

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

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

19 (B) enrolled in his or her first year of study at a postsecondary  
20 institution on or after July 1, 2015 and completed an associate's degree within

1 three years, or a bachelor's degree within six years of his or her enrollment  
2 date;

3 (C) becomes employed on a full-time basis in Vermont within  
4 12 months of graduation in an ~~economic sector~~ occupation identified by the  
5 Secretary and Commissioner under subdivision (1) of this subsection;

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

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

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

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

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

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

5           (4) Management.

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

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

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

14           (c) Vermont Strong Internship Program.

15           (1) Internship Program management.

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

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

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

11           (D) The Program Intermediary shall:

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

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

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

18           (iv) create and maintain a registry of participating employers and  
19 associated internship opportunities;

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

1                   (vi) develop and oversee a participation contract between each  
2 student and employer, including terms governing the expectations for the  
3 internship, a work plan, mentoring and supervision of the student, reporting by  
4 the employer and student, and compensation terms; and

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

7                   (2) Qualifying internships.

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

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

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

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

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

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

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

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

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

10          (d) Funding.

11           (1) Loan Forgiveness Program.

12           (A) Loan forgiveness; State funding.

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

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

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

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

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

11 (2) Internship Program. Notwithstanding any provision of law to the  
12 contrary, the Commissioner of Labor shall have the authority to use funds  
13 allocated to the Workforce Education and Training Fund established in  
14 10 V.S.A. § 543 to implement the Internship Program created in this section.

15 Sec. 13. ADVANCED MANUFACTURING AND INFORMATION

16 TECHNOLOGY PROGRAMS

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

20 (1) Advanced Technology and Information Technology Readiness  
21 Training Program. This training program shall provide training in critical,



1 immediate-term workforce need areas including technicians, mechanical and  
2 technical skills, machinist training, web and graphic development, coding, and  
3 health care technology services.

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

11 Secs. 14-19. [Reserved.]

12 \* \* \* Tourism and Marketing \* \* \*

13 Sec. 20. TOURISM AND MARKETING INITIATIVE

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

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

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

Subchapter 7. Economic Development Marketing

§ 2551. TOURISM AND ECONOMIC DEVELOPMENT MARKETING

(a) Marketing the Vermont Brand. The Department of Tourism and Marketing shall have the primary duty within State government:

(1) to articulate and promote the Vermont brand; and

(2) to integrate tourism marketing and economic development marketing in State-supported marketing materials, partnerships, and promotions, as it deems appropriate and effective.

(b) The Department shall have the discretion to craft one or more campaigns to highlight strengths of the State, including:

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

(2) the multitude and diversity of successful start-up businesses in environmental technology, health technology, advanced manufacturing, services technology, biotechnology, recreation technology, and social technology;

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

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

6           (5) that Vermont is both a great place to live and a great place to do  
7           business

8           (c) The Department shall use its available public and private tourism and  
9           marketing resources:

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

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

14           (3) to recruit and develop new businesses and to maintain growth of and  
15           provide support to existing businesses; and

16           (4) to enable Vermont businesses to align their own brand identities with  
17           the Vermont brand, enhancing the reputations of both the business and  
18           the State.

19           § 2552. FUNDING

20           (a) In addition to any other funds appropriated to the Department of  
21           Tourism and Marketing, in each fiscal year, the General Assembly shall

1 appropriate to the Department for the purpose of implementing section 2551 of  
2 this title 75 percent of the amount by which the total meals and rooms tax  
3 revenue collected in the immediately preceding fiscal year exceeds the total  
4 meals and rooms tax revenue collected in the fiscal year two years preceding  
5 the current fiscal year.

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

8 Secs. 22-29 [Reserved.]

9 \* \* \* Tax Credits \* \* \*

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

11 CHAPTER 245: TAX CREDITS

12 § 11001. MOTION PICTURE PRODUCTION TAX CREDIT

13 (a) Definitions. In this section:

14 (1) “Agency” means the Agency of Commerce and Community  
15 Development.

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

19 (B) “Motion picture” does not mean a television production featuring  
20 news, current events, weather, financial market reports, sporting events, award

1 shows, productions solely for fundraising, long-form productions primarily to  
2 market a product or service, or productions containing obscene material.

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

7 (4)(A) “Production expenditures” means preproduction, production, and  
8 postproduction expenditures directly incurred in the production of a motion  
9 picture.

10 (B) “Production expenditures” includes wages and salaries paid to  
11 individuals employed in Vermont in the production of the motion picture, but  
12 does not include wages or salaries in excess of \$1 million for any one  
13 individual for one motion picture production; and the costs of the following  
14 activities: set construction and operation, editing and related services,  
15 photography, sound synchronization, lighting, wardrobe, make-up and  
16 accessories; film processing, transfer, mixing, special and visual effects;  
17 music; location fees and the cost of purchase or rental of facilities and  
18 equipment; or any other production expense that may be determined by the  
19 secretary to be an eligible production expense.

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

1           (5) “Secretary” means the Secretary of the Agency of Commerce and  
2           Community Development.

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

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

10           (1) A credit against the income tax imposed under chapter 151 of this  
11           title in the amount of 25 percent of the production expenditures incurred in the  
12           taxable year within the State, and directly related to a production filmed in  
13           Vermont with a total production budget of at least \$250,000.00, as certified by  
14           the Secretary.

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

20           (3) A credit against the income tax imposed under chapter 151 of this  
21           title in the amount of 10 percent of production expenditures incurred in the

1 taxable year within the State directly related to a 100-percent animated  
2 production or a production for game consoles with embedded online  
3 capabilities, as certified by the Secretary.

4 (c) Certification and administration.

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

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

10 (3) A taxpayer applying for the credit certification shall reimburse the  
11 Secretary for any audit the Secretary determines is required to certify the  
12 credit.

13 (d) Notwithstanding any provision of this section to the contrary, the  
14 Secretary shall not issue a credit certificate pursuant to this section unless he or  
15 she determines that the production of a motion picture for which credit would  
16 otherwise would be allowed yielded a net fiscal benefit to the State.

17 § 11002. ANGEL INVESTOR TAX CREDIT

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

19 (1) may claim a credit against his or her income tax liability imposed  
20 under chapter 151 of this title for 40 percent of the value of each eligible  
21 venture capital investment per qualifying business made during a taxable year;

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

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

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

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

14           (c)(1) To claim a credit pursuant to this section, a qualified taxpayer shall  
15           submit to the Agency of Commerce and Community Development  
16           documentation and any additional information requested by the Agency  
17           necessary to demonstrate compliance with the requirements of this section.

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



1           (d) In this section:

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

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

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

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

11                   (B) had in the year preceding the investment annual gross sales of  
12                   \$3,000,000.00 or less; and

13                   (C)(i) is a manufacturer;

14                   (ii) is engaged in the development or application of advanced  
15                   technologies;

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

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

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

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

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

9           § 11003. MILLENNIAL ENTERPRISE ZONE TAX CREDIT

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

12           (1) creating new, high-paying jobs in information technology and  
13           related fields including digital networks, robotics, and virtual worlds; and

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

15           (b) Designation. The Secretary of Commerce and Community  
16           Development shall have the authority to declare a millennial enterprise zone,  
17           which may be a virtual space or geographical area, or both, where one or more  
18           persons are investing human, intellectual, physical, or economic capital in  
19           building a business in information technology or related fields including,  
20           digital networks, robotics, and virtual worlds.

1        (c) Eligibility criteria. To be eligible for a credit under this section a  
2        person shall:

3            (1) be engaged in a business in a qualifying sector, and creating new  
4        full-time jobs, in Vermont; and

5            (2) pay gross wages and benefits to its employees that average at least  
6        150 percent of the Vermont minimum wage.

7        (d) Tax credit.

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

11           (A) five percent of the value of the gross wages and benefits of each  
12        new, full-time job created and maintained for 12 months;

13           (B) 50 percent of the value of capital investment in real or personal  
14        property of the business; and

15           (C) 10% of the value of the business's investment in research and  
16        development.

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

19           (3) A person who is eligible for credit but unable to claim the full  
20        amount because of the cap under subdivision (2) of this subsection may carry  
21        forward the value of any unused credit for up to 10 years.

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

6           (e) The Secretary of Commerce and Community Development shall have  
7           the authority to adopt rules and procedures to implement the provisions of this  
8           section.

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

10          § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

11          (a) As used in this section:

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

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

14            (B) owner-occupied housing identified in 26 U.S.C. § 143(e) and (f)

15           and eligible (c)(1) or that qualifies under the Vermont Housing Finance

16           Agency ~~allocation plan~~ criteria governing owner-occupied housing.

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

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

20           (4) “Committee” means the Joint Committee on Tax Credits consisting  
21           of five members; a representative from the Department of Housing and

1 Community Affairs, the Vermont Housing and Conservation Board, the  
2 Vermont Housing Finance Agency, the Vermont State Housing Authority, and  
3 the Office of the Governor.

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

8 (6) “Eligible applicant” means any municipality, private sector  
9 developer, ~~department of state government as defined in 10 V.S.A. § 6302(a);~~  
10 State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing Finance  
11 Agency, or a nonprofit organization qualifying under 26 U.S.C. § 501(c)(3), or  
12 cooperative housing organization, the purpose of which is ~~the creation and~~  
13 ~~retention of~~ to create and retain affordable housing for lower income  
14 Vermonters; with lower income and ~~the~~ which has in its bylaws that require a  
15 requirement that housing to the housing the organization creates be maintained  
16 as affordable housing for ~~lower income~~ Vermonters with lower income on a  
17 perpetual basis.

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

1 (8) “Section 42 credits” means tax credit provided by 26 U.S.C.

2 §§ 38 and 42.

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

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

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

14 (b) Eligible tax credit allocations.

15 (1) Affordable housing credit allocation.

16 (A) An eligible applicant may apply to the allocating agency for an  
17 allocation of affordable housing tax credits under this section related to an  
18 affordable housing project authorized by the allocating agency under the  
19 allocation plan. In the case of a specific affordable rental housing project, the  
20 eligible applicant ~~must~~ shall also be the owner or a person having the right to  
21 acquire ownership of the building and ~~must~~ shall apply prior to placement of

1 the affordable housing project in service. In the case of owner-occupied  
2 housing units, the applicant ~~must apply prior to purchase of the unit and must~~  
3 shall ensure that the allocated ~~funds will be used to ensure that the housing~~  
4 qualifies or program funds remain as an affordable housing resource for all  
5 future owners ~~of the housing~~. The allocating agency shall issue a letter of  
6 approval if it finds that the applicant meets the priorities, criteria, and other  
7 provisions of subdivision ~~(2)(B)~~ of this ~~subsection~~ subdivision (1). The burden  
8 of proof shall be on the applicant.

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

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

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

20 (2) Down payment assistance program.

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

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

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

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

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

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

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

20           (d) Availability of credit. The amount of affordable housing tax credit  
21           allocated with respect to a project shall be available to the taxpayer every year



1 for five consecutive tax years, beginning with the tax year in which the eligible  
2 cash contribution is made. Total tax credits available to the taxpayer shall be  
3 the amount of the first-year allocation plus the succeeding four years' deemed  
4 allocations.

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

12 (f) ~~[Deleted.]~~ [Repealed.]

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

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

18 (B) \$300,000.00 per year for owner-occupied unit applicants  
19 financing or down payment loans consistent with the allocation plan, including  
20 for new construction and manufactured housing, for a total aggregate limit of

1 \$1,500,000.00 over any given five-year period that credits are available under  
2 this subdivision.

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

8 (h) In any fiscal year, total first year allocations plus succeeding year  
9 deemed allocations shall not exceed \$3,500,000.00. The aggregate limit for all  
10 credit allocations available under this section in any fiscal year is  
11 \$4,125,000.00.

12 Secs. 32-39. [Reserved.]

13 \* \* \* Manufacturing; Energy Rates\* \* \*

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

15 § 280bb. VERMONT ENTREPRENEURIAL LENDING PROGRAM

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

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

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

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

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

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

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

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

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

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

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

14          Sec. 41. 30 V.S.A. § 218(h) is added to read:

15          (h) Notwithstanding any contrary provision contained in a rate schedule  
16          approved under this title, each quarter an electric distribution company shall  
17          recalibrate the peak demand of each customer on demand rate so that the  
18          customer's peak demand is based the customer's use during the preceding  
19          quarter.

1 Sec. 42. 30 V.S.A. § 218d(n) is added to read:

2 (n) Notwithstanding any contrary provision in this section, the provisions  
3 of section 218(h) of this title shall apply to alternative regulation under this  
4 section.

5 Secs. 43-49. [Reserved]

6 \* \* \* Land Use; Economic Development Planning \* \* \*

7 Sec. 50. 24 V.S.A. § 2793b(b) is amended to read:

8 (b) Within 45 days of receipt of a completed application, the State Board  
9 shall designate a new town center development district if the State Board finds,  
10 with respect to that district, the municipality has:

11 (1) A confirmed planning process under section 4350 of this title,  
12 developed a municipal center plan, and adopted bylaws and ordinances that  
13 implement the plan, including an official map, and a design review district  
14 created under this title or other regulations that adequately control the physical  
15 form and scale of development.

16 (2) Provided a community investment agreement that has been executed  
17 by authorized representatives of the municipal government, businesses, and  
18 property owners within the District, and community groups with an articulated  
19 purpose of supporting downtown interests, and contains the following:

20 \* \* \*

1 (F) Evidence that civic and public buildings **or publicly-owned**  
2 **structures or facilities devoted to community use** do exist, or will exist in  
3 the center, as shown by the capital improvement plan or the capital budget and  
4 program, and the official map.

5 \* \* \*

6 Sec. 51. 10 V.S.A. § 6081(w) is added to read:

7 (w) Improvements to be constructed within an industrial park that was in  
8 existence as of January 1, 2010 and subject to an “umbrella permit” issued  
9 under this chapter shall not be required to obtain a permit or permit  
10 amendment if each of the following applies:

11 (1) The improvements will comply with those specific conditions of the  
12 umbrella permit included to resolve issues critical to issuance of the permit.  
13 Such conditions shall not include any requirement under the umbrella permit  
14 to obtain a permit amendment.

15 (2) The municipality in which the improvements will be located has in  
16 effect a land use plan and zoning and subdivisions bylaws under 24 V.S.A.  
17 chapter 117.

18 (3) The municipality has issued a municipal land use permit for the  
19 improvements under that chapter.

20 (4) The Agency of Natural Resources has issued those permits and  
21 approvals that its enabling statutes require for the improvements.

1 Sec. 52. 24 V.S.A. § 2787 is added to read:

2 § 2787. ENTERPRISE ZONES

3 (a) After consultation with the regional planning commission and the  
4 planning commission of each affected municipality, a regional development  
5 corporation may propose an enterprise zone consisting of a list of properties  
6 contiguous or adjacent to each other to serve as locations for new or expanded  
7 manufacturing.

8 (b) The regional development corporation shall provide notice and  
9 opportunity to submit written comment and request a public hearing on each  
10 proposal for an enterprise zone.

11 (1) The corporation shall provide notice of the proposal on its web page  
12 and directly to each affected regional planning commission, the legislative  
13 body and planning commission of each affected municipality, and the  
14 landowners of record in the proposed enterprise zone.

15 (2) The corporation may hold a public hearing on request or on its own  
16 motion and shall hold a public hearing if requested by an affected regional  
17 planning commission, the legislative body or planning commission of an  
18 affected municipality, or a group consisting of or representing 25 or more  
19 persons within an affected region or municipality.

20 (3) The contested case provisions of 3 V.S.A. chapter 25 shall not apply  
21 to the designation of an enterprise zone.

1        (c) After providing the notice and opportunity required by subsection (b) of  
2        this section, the regional development corporation may designate an enterprise  
3        zone if it finds that each property included in the zone is a suitable and  
4        commercially viable location on which to site manufacturing and will be  
5        supported by transportation, water, wastewater and other necessary  
6        infrastructure in sufficient capacity to support manufacturing. The  
7        corporation’s decision on the enterprise zone shall respond to each comment  
8        received.

9        (d) On designation of an enterprise zone under this section:

10        (1) The Agency of Natural Resources shall **issue a decision on an**  
11        **application for each permit or approval** that its enabling statutes require for  
12        development in the zone within 45 days of the date of application.

13        (2) The regional development corporation or municipality in which the  
14        zone is located may apply for and receive a “master plan” permit or partial  
15        findings, or both, for the zone under 10 V.S.A. chapter 151 and the rules  
16        adopted under that chapter. If a master plan permit is issued, then subsequent  
17        development within the zone shall require no further permits or permit  
18        amendments under 10 V.S.A. chapter 151, notwithstanding any provision of  
19        that chapter to the contrary.



1       Sec. 53. ACT 250; GUIDANCE ON SETTLEMENT PATTERNS

2                   CRITERION

3           (a) The General Assembly finds that:

4                   (1) 2014 Acts and Resolves No. 147, Sec. 2 amended 10 V.S.A.

5                   § 6086(a)(9)(L) (Criterion 9L) to become a settlement patterns criterion. The  
6                   purpose of the amendment was to promote new development that is consistent  
7                   with Vermont’s historic development pattern of compact centers surrounded by  
8                   working lands; to encourage the efficient use of land, roads, utilities and other  
9                   infrastructure; and to promote development within existing settlements.

10                   (2) Since that amendment, the Natural Resource Board (the Board) has  
11                   worked with the Agency of Commerce and Community Development  
12                   (ACCD), the Agency of Natural Resources (ANR) and others to provide  
13                   training and guidance to state agencies, regional planning commissions, trade  
14                   associations, municipal planners, development consultants, attorneys and  
15                   others about this change to Criterion 9L.

16                   (3) Effective October 17, 2014, the Board adopted a procedure to  
17                   implement Criterion 9L (the Criterion 9L Procedure).

18           (b) The General Assembly determines that more education and improved  
19           guidance would be beneficial in implementing Criterion 9L. **Procedures and**  
20           **guidance issued on Criterion 9L shall be consistent with the purpose**  
21           **stated in subdivision (a)(1) of this section.**

1           (1) The Board shall revise the Criterion 9L Procedure in full  
2           collaboration with ACCD and ANR.

3           (A) Prior to completing this revision, the Board shall solicit input  
4           from affected parties and the public including planners, developers,  
5           municipalities, and environmental advocacy organizations.

6           (B) The Board shall adopt the revision in the form of a procedure  
7           under 3 V.S.A. chapter 25 or as a guidance document, or may include some of  
8           the subject matter in a procedure and some in a guidance document.

9           (2) Following the Board’s revision of the Criterion 9L procedure,  
10          ACCD shall work with the NRB and ANR to develop outreach material  
11          including illustrative examples and implement a training plan on Criterion 9L  
12          for local elected officials, municipal boards, state and regional organizations  
13          and associations, environmental groups, consultants, and developers.

14          Sec. 54. 10 V.S.A. § 6081(p) is amended to read:

15          (p) No permit or permit amendment is required for any change to a project  
16          that is located entirely within a downtown development district designated  
17          pursuant to 24 V.S.A. § 2793 or a growth center designated pursuant to  
18          24 V.S.A. § 2793c, if the change consists exclusively of any combination of  
19          mixed use and mixed income housing, and the cumulative changes within any  
20          continuous period of five years, commencing on or after the effective date of  
21          this subsection, remain below the jurisdictional threshold for a priority housing

1 project specified in subdivision ~~6001(3)(B)~~ 6001(3)(A) of this title.

2 **Notwithstanding any contrary provision of this chapter, mixed use within**  
3 **a priority housing project that is exempt under this subsection may**  
4 **include small scale, low impact manufacturing.**

5 Secs. 55-59. [Reserved].

6 \* \* \* Business Growth; Access to Capital \* \* \*

7 Sec. 60. 6 V.S.A. chapter 207 is amended to read:

8 CHAPTER 207: PROMOTION AND MARKETING OF VERMONT  
9 FOODS AND PRODUCTS

10 \* \* \*

11 SUBCHAPTER 3: AGRICULTURAL EXPORTS

12 § 4621. DOMESTIC EXPORT PROGRAM

13 (a) The Secretary of Agriculture, Food and Markets, in collaboration with  
14 the Agency of Commerce and Community Development and the Chief  
15 Marketing Officer, shall have the authority to create a Domestic Export  
16 Program within the “Made in Vermont” designation program, the purpose of  
17 which may include:

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

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

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

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

13       Sec. 61. IMPLEMENTATION; DOMESTIC EXPORT PROGRAM

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

1 Sec. 62. 8 V.S.A. chapter 73 is amended to read:

2 CHAPTER 73. LICENSED LENDERS

3 § 2200. DEFINITIONS

4 As used in this chapter:

5 (1) “Commercial loan” means ~~any~~ a loan or extension of credit that is  
6 ~~described in 9 V.S.A. § 46(1), (2), or (4). The term does not include a loan or~~  
7 ~~extension of credit secured in whole or in part by an owner occupied one- to~~  
8 ~~four-unit dwelling;~~

9 (A) an obligation of a corporation, including a municipal or nonprofit  
10 corporation;

11 (B) an obligation incurred by a person to finance an income-  
12 producing business or activity, but not including an obligation incurred to  
13 finance a family dwelling of four units or fewer when used as a residence by  
14 the person or to finance real estate which is devoted to agricultural purposes as  
15 part of an operating farming unit when used as a residence by the borrower; or

16 (C) an obligation guaranteed or insured by the United States of  
17 America or any agency thereof.

18 \* \* \*

19 § 2201. LICENSES REQUIRED

20 \* \* \*

1 (d) No lender license, mortgage broker license, or sales finance company  
2 license shall be required of:

3 \* \* \*

4 (12)(A) ~~A person making an unsecured commercial loan, which loan is~~  
5 ~~expressly subordinate to the prior payment of all senior indebtedness of the~~  
6 ~~commercial borrower regardless of whether such senior indebtedness exists at~~  
7 ~~the time of the loan or arises thereafter. The loan may or may not include the~~  
8 ~~right to convert all or a portion of the amount due on the loan to an equity~~  
9 ~~interest in the commercial borrower.~~

10 (B) ~~As used in this subdivision (12), “senior indebtedness” means:~~

11 (i) ~~all indebtedness of the commercial borrower for money~~  
12 ~~borrowed from depository institutions, trust companies, insurance companies,~~  
13 ~~and licensed lenders, and any guarantee thereof; and~~

14 (ii) ~~any other indebtedness of the commercial borrower that the~~  
15 ~~lender and the commercial borrower agree shall constitute senior indebtedness.~~

16 [Repealed.]

17 \* \* \*

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

1 § 2202. APPLICATION FOR LICENSE; LICENSE AND INVESTIGATION  
2 FEES

3 (a) Application for a license shall be in writing, under oath, and in the form  
4 prescribed by the Commissioner, and shall contain the name and the address of  
5 the residence and place of business of the applicant, and if the applicant is a  
6 partnership or association, of every member thereof, and if a corporation, of  
7 each officer and director thereof; also the county and municipality with street  
8 and number, if any, where the business is to be conducted and such further  
9 information as the Commissioner may require.

10 (b) At the time of making application, the applicant shall pay to the  
11 Commissioner a fee for investigating the application and a license fee for a  
12 period terminating on the last day of the current calendar year. The following  
13 fees are imposed on applicants:

14 (1) For an applicant for a lender's license, \$1,000.00 as a license fee,  
15 and \$1,000.00 as an application and investigation fee for the initial license.  
16 For each additional lender license from the same applicant, \$500.00 as a  
17 license fee and \$500.00 as an application and investigation fee.

18 (2) For an applicant for a mortgage broker's license, other than a  
19 mortgage broker that meets each of the requirements of subdivisions  
20 (b)(3)(A)-(B), \$500.00 as a license fee, and \$500.00 as an application and  
21 investigation fee.

1           (3) For an applicant for a mortgage broker’s license that meets each of  
2 the following requirements, \$250.00 as a license fee, and \$250.00 as an  
3 application and investigation fee:

4           (A) ~~The~~ the applicant is an individual sole proprietor; and

5           (B) ~~No~~ no person, other than the applicant, shall be authorized to act  
6 as a mortgage broker under the applicant’s license.

7           (4) For an applicant for a mortgage loan originator license, \$50.00 as a  
8 license fee, and \$50.00 as an application and investigation fee.

9           (5) For an applicant for a sales finance company’s license, \$350.00 as a  
10 license fee, and \$350.00 as an application and investigation fee.

11           (c) In connection with an application for a license, the applicant and each  
12 officer, director, and control person of the applicant shall furnish to the  
13 Nationwide Mortgage Licensing System and Registry information concerning  
14 the applicant’s identity, including:

15           (1) Fingerprints for submission to the Federal Bureau of Investigation,  
16 and any governmental agency or entity authorized to receive such information  
17 for a state, national, and international criminal history background check.

18           (2) Personal history and experience in a form prescribed by the  
19 Nationwide Mortgage Licensing System and Registry, including the  
20 submission of authorization for the Nationwide Mortgage Licensing System  
21 and Registry and the Commissioner to obtain:



1           (A) ~~An~~ an independent credit report and credit score obtained from a  
2 consumer reporting agency described in Section 603(p) of the Fair Credit  
3 Reporting Act for the purpose of evaluating the applicant's financial  
4 responsibility at the time of application and may obtain additional credit  
5 reports and credit scores to confirm the licensee's continued compliance with  
6 the financial responsibility requirements of this chapter; and

7           (B) ~~Information~~ information related to any administrative, civil, or  
8 criminal findings by any governmental jurisdiction.

9           (3) Any other information required by the Nationwide Mortgage  
10 Licensing System and Registry or the Commissioner.

11           (d) ~~This section does not apply to a lender making only commercial loans.~~

12           [Repealed.]

13           § 2202a. ~~APPLICATION FOR COMMERCIAL LENDER LICENSE; FEES~~

14           ~~(a) Application for a license for a lender making solely commercial loans~~  
15 ~~shall be in writing, under oath, and in the form prescribed by the~~  
16 ~~Commissioner, and shall contain the name and address of the residence and the~~  
17 ~~place of business of the applicant and, if the applicant is a partnership or~~  
18 ~~association, of every member thereof, and, if a corporation, of each officer,~~  
19 ~~director, and control person thereof; the county and municipality with street~~  
20 ~~and number, if any, where the business is to be conducted; and such further~~  
21 ~~information as the Commissioner may require.~~



1 (d) Every applicant for a lender's license shall also prove, in form  
2 satisfactory to the Commissioner, that the applicant has liquid assets of  
3 \$25,000.00, or such greater amount as the Commissioner may require,  
4 available for the operation of such business at the location specified in the  
5 application. ~~Every applicant wishing to make commercial loans shall prove~~  
6 ~~liquid assets in an amount of \$50,000.00 or such greater amount as the~~  
7 ~~Commissioner may require.~~

8 \* \* \*

9 (f) ~~This section does not apply to a lender making only commercial loans.~~  
10 [Repealed.]

11 § 2204. APPROVAL OF APPLICATION AND ISSUANCE OF LICENSE

12 \* \* \*

13 (d) ~~This section does not apply to a lender making only commercial loans.~~  
14 [Repealed.]

15 \* \* \*

16 § 2207. ADDITIONAL BOND; LIQUID ASSETS TO BE MAINTAINED

17 \* \* \*

18 (c) ~~Every licensee making commercial loans shall maintain liquid assets in~~  
19 ~~an amount deemed necessary by the commissioner, but in no event less than~~  
20 ~~\$50,000.00. [Repealed.]~~

21 \* \* \*

1 § 2209. RENEWAL OF LICENSE

2 (a) On or before December 1 of each year, every licensee shall renew its  
3 license for the next succeeding calendar year and shall pay to the  
4 Commissioner a renewal of license fee. At a minimum, the licensee shall  
5 continue to meet the standards for license issuance under section 2204 of this  
6 title. At the same time, the licensee shall maintain with the Commissioner a  
7 bond in the amount and of the character as required by section 2203 of this title  
8 or as required by the Commissioner under section 2207 of this title. The  
9 license renewal fee shall be:

10 \* \* \*

11 (6) ~~For the renewal of a lender's license for a lender making only~~  
12 ~~commercial loans, \$500.00. [Repealed.]~~

13 \* \* \*

14 § 2216. MORTGAGE LENDING; SPECIFIC REQUIREMENTS;

15 EXCEPTIONS

16 Every licensee engaging in the making of loans secured by a lien against  
17 real estate located in this state, whether conducting its affairs as an agent or  
18 principal and whether operating from facilities within the ~~state~~ State or by  
19 mail, telephone or by electronic means, shall comply with the general  
20 provisions of this chapter unless exempted herein. A licensee making such  
21 loans through a third person, shall only make loans through a person licensed

1 as a mortgage broker and as a mortgage loan originator under this chapter,  
2 unless such third person is exempt from such licensing provisions. Any lender  
3 who makes such loans through a third person required to be licensed and not so  
4 licensed, in addition to being subject to all applicable penalties under Vermont  
5 law, shall be responsible for the acts or omissions of the third person as a  
6 principal is responsible for the acts and omissions of its agent. Every licensee  
7 making loans secured by a lien against real estate shall comply with sections  
8 10403 and 10404, and subchapter 2 of chapter 200 of this title, and shall also  
9 be subject to the following specific limitations:

10 \* \* \*

11 (6) ~~This section shall not apply to commercial loans.~~ [Repealed.]

12 \* \* \*

13 § 2220. DISCLOSURE REQUIRED BY MORTGAGE LENDER

14 In advance of taking any fee or collecting any charges for a mortgage loan,  
15 or at the time the prospective borrower submits a signed application, a written  
16 disclosure shall be provided by the lender to the prospective borrower setting  
17 forth all provisions relating to interest rates applicable to the loan, and specific  
18 disclosure regarding any possibility that the lender may change its role to that  
19 of a mortgage broker. ~~This section shall not apply to commercial loans.~~

20 \* \* \*

1 § 2224. ANNUAL REPORT; MORTGAGE CALL REPORTS

2 \* \* \*

3 (b) Annually, within 90 days of the end of its fiscal year, each licensed  
4 lender, mortgage broker, and sales finance company shall file financial  
5 statements with the Commissioner in a form and substance satisfactory to the  
6 Commissioner, which financial statements must include a balance sheet and  
7 income statement. ~~This subsection does not apply to a lender making only~~  
8 ~~commercial loans.~~

9 \* \* \*

10 § 2228. USE OF OTHER NAMES OR BUSINESS PLACES

11 No licensee shall transact such business or make any loan provided for by  
12 this chapter under any other name or at any other place of business than that  
13 named in the license. ~~This section shall not apply to commercial loans made to~~  
14 ~~a borrower located outside Vermont for use outside Vermont.~~

15 § 2229. CONFESSIONS OF JUDGMENT; POWERS OF ATTORNEY;

16 CONTENTS OF NOTES

17 No licensee shall take any confession of judgment. No licensee shall take  
18 any power of attorney excepting such as may be incorporated in a form of note  
19 approved by the ~~commissioner~~ Commissioner for use in the financing of  
20 insurance premiums. No licensee shall take any note, promise to pay, or  
21 security that does not accurately disclose the actual amount of the loan, the

1 time for which it is made, and the agreed rate of interest, nor any instrument in  
2 which blank spaces are left to be filled in after execution. ~~Notwithstanding the~~  
3 ~~foregoing provisions of this section, the commissioner may by rule exempt~~  
4 ~~from all or part of this section commercial loans.~~

5 § 2230. RATE OF INTEREST

6 \* \* \*

7 (d) ~~This section shall not apply to commercial loans. [Repealed.]~~

8 \* \* \*

9 § 2231. CONTRACTS TO BE REPAYABLE IN MONTHLY

10 INSTALLMENTS; MAXIMUM TERM; ADDITIONAL CHARGES

11 PROHIBITED; INVALIDITY OF LOAN CONTRACT

12 \* \* \*

13 (c) ~~This section shall not apply to commercial loans. [Repealed.]~~

14 \* \* \*

15 § 2232a. REQUIREMENTS REGARDING THE BORROWER

16 \* \* \*

17 (f) ~~This section shall not apply to commercial loans. [Repealed.]~~

18 \* \* \*

19 § 2238. ~~OUT OF STATE COMMERCIAL LOANS~~

20 ~~A commercial loan made to a borrower located outside Vermont for use~~  
21 ~~outside Vermont shall be deemed to be made outside the state of Vermont and~~

1 ~~shall not be subject to this chapter except upon written agreement of the~~  
2 ~~licensee and borrower.~~ [Repealed.]

3 \* \* \*

4 Sec. 63. 7 V.S.A. § 2 is amended to read:

5 § 2. DEFINITIONS

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

8 \* \* \*

9 (10) "First-class license": a license granted by the control  
10 commissioners permitting the licensee to sell malt or vinous beverages, except  
11 fortified wines, to the public for consumption only on the premises for which  
12 the license is granted.

13 \* \* \*

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

20 (20) "Spirits" or "spirituous liquors": beverages that contain more than  
21 one percent of alcohol obtained by distillation, by chemical synthesis, or



1 through concentration by freezing; ~~and~~ vinous beverages containing more than  
2 ~~16~~ 23 percent of alcohol; ~~and all vermouths of any alcohol content;~~ malt  
3 beverages containing more than 16 percent of alcohol or more than six percent  
4 of alcohol if the terminal specific gravity thereof is less than 1.009; in each  
5 case measured by volume at 60 degrees Fahrenheit.

6 \* \* \*

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

10 (23) “Vinous beverages”: all fermented beverages of any name or  
11 description manufactured or obtained for sale from the natural sugar content of  
12 fruits; or other agricultural product, containing sugar, the alcoholic content of  
13 which is ~~not less than one percent nor more than 16 percent~~ at least one percent  
14 but no more than 23 percent by volume at 60 degrees Fahrenheit, ~~except that~~  
15 ~~all vermouths shall be purchased and retailed by and through the Liquor~~  
16 ~~Control Board as authorized in chapters 5 and 7 of this title~~ including fortified  
17 wines.

18 \* \* \*

19 (28) “Fourth-class license” or “farmers’ market license”: the license  
20 granted by the Liquor Control Board permitting a manufacturer or rectifier of  
21 malt or vinous beverages or spirits to sell by the unopened container and

1 distribute, by the glass, with or without charge, beverages manufactured by the  
2 licensee. No more than a combined total of ten fourth-class and farmers'  
3 market licenses may be granted to a licensed manufacturer or rectifier. At only  
4 one fourth-class license location, a manufacturer or rectifier of vinous  
5 beverages, malt beverages, or spirits may sell by the unopened container and  
6 distribute by the glass, with or without charge, vinous beverages, malt  
7 beverages, or spirits produced by no more than five additional manufacturers  
8 or rectifiers, provided these beverages are purchased on invoice from the  
9 manufacturer or rectifier. A manufacturer or rectifier of vinous beverages,  
10 malt beverages, or spirits may sell its product to no more than five additional  
11 manufacturers or rectifiers. A fourth-class licensee may distribute by the glass  
12 no more than two ounces of malt or vinous beverage, except fortified wine,  
13 with a total of eight ounces to each retail customer and no more than  
14 one-quarter ounce of spirits or fortified wine with a total of one ounce to each  
15 retail customer for consumption on the manufacturer's premises or at a  
16 farmers' market. A farmers' market license is valid for all dates of operation  
17 for a specific farmers' market location.

18 \* \* \*

19 (38) "Fortified wines": vinous beverages, including those to which  
20 spirits have been added during manufacture, containing at least 16 percent

1 alcohol but no more than 23 percent alcohol by volume at 60 degrees  
2 Fahrenheit.

3 Sec. 64. 7 V.S.A. § 222 is amended to read:

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

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

9 \* \* \*

10 (2) Upon making application ~~and~~, paying the license fee provided in  
11 section 231 of this title, and upon satisfying the Board that such premises are  
12 leased, rented, or owned by the retail dealer and are a safe, sanitary, and proper  
13 place from which to sell malt and vinous beverages, a second-class license ~~for~~  
14 ~~the premises where such dealer shall carry on the business~~, which shall  
15 authorize such dealer to export malt and vinous beverages, and to sell malt and  
16 vinous beverages to the public from such premises for consumption off the  
17 premises ~~and upon satisfying the Board that such premises are leased, rented,~~  
18 ~~or owned by such retail dealers and are safe, sanitary, and a proper place from~~  
19 ~~which to sell malt and vinous beverages~~. A retail dealer carrying on business  
20 in more than one place shall be required to acquire a second-class license for  
21 each place where ~~he or she shall so sell~~ the retail dealer sells malt and vinous

1 beverages. No malt or vinous beverages shall be sold by a second-class  
2 licensee to a minor.

3 \* \* \*

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

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

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

13 (6) The Liquor Control Board may grant a fortified wine permit to a  
14 second class licensee if the licensee files an application accompanied by the  
15 license fee as provided in section 231 of this title. The holder of a fortified  
16 wine permit may sell fortified wines to the public from the licensed premises  
17 for consumption off the premises. The Liquor Control Board shall issue no  
18 more than 200 fortified wine permits in any single year.

1 Sec. 65. 7 V.S.A. § 224 is amended to read:

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

3 (a) The ~~liquor control board~~ Liquor Control Board may grant to a person  
4 who operates a hotel, restaurant, cabaret, or club a license of the third class if  
5 the person files an application accompanied by the license fee as provided in  
6 section 231 of this title for the premises in which the business of the hotel,  
7 restaurant, cabaret, or club is carried on. The holder of a ~~third-class~~ third-class  
8 license may sell ~~spirituous liquors~~ spirits and fortified wines for consumption  
9 only on the premises covered by the license. The applicant for a ~~third-class~~  
10 third-class license shall satisfy the ~~liquor control board~~ Liquor Control Board  
11 that the applicant is the bona fide owner or lessee of the premises and that the  
12 premises are operated for the purpose covered by the license.

13 \* \* \*

14 Sec. 66. 7 V.S.A. § 225 is amended to read:

15 § 225. EDUCATIONAL SAMPLING EVENT PERMIT

16 \* \* \*

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

19 (1) Malt beverages: \$0.265 per gallon served.

20 (2) Vinous beverages, except fortified wines: \$0.55 per gallon served.

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



1 vinous beverages, including fortified wines, manufactured or rectified by them  
2 and sold at retail.

3 \* \* \*

4 Sec. 69. 7 V.S.A. § 422 is amended to read:

5 § 422. TAX ON SPIRITUOUS LIQUOR

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

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

14 (2) if the gross revenue of the seller is between \$500,000.00 and  
15 \$750,000.00, the rate of tax is \$25,000.00 plus 10 percent of the gross revenues  
16 over \$500,000.00;

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

19 \* \* \*

1           Sec. 70. STUDY; REPORT

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

8           (b) The Commissioner of Liquor Control shall report to the House  
9           Committee on General, Housing, and Military Affairs and the Senate  
10           Committee on Economic Development, Housing, and General Affairs  
11           regarding his or her findings on or before January 15, 2018. The  
12           Commissioner's report shall include a recommendation regarding the  
13           appropriate number of fortified wine permits to be issued pursuant to  
14           7 V.S.A. § 222.



1 Sec. 71. 10 V.S.A. chapter 14 is amended to read:

2 Chapter 14: ~~The Vermont Venture Capital Fund~~ The Vermont Entrepreneur to  
3 Entrepreneur Lending and Investment Program

4 § 281. THE VERMONT ENTREPRENEUR TO ENTREPRENEUR

5 LENDING AND INVESTMENT PROGRAM

6 (a) There is created within the Department of Economic Development in  
7 the Agency of Commerce and Community Development the Vermont  
8 Entrepreneur to Entrepreneur Lending and Investment Program.

9 (b)(1) The Department shall create and maintain a registry for established  
10 entrepreneurs who wish to make loans or investments and for emerging  
11 entrepreneurs who seek investments.

12 (2) The Department shall facilitate matchmaking between potential  
13 investors and recipients through its website, events, or other mechanisms as it  
14 deems appropriate and effective.

15 (c) Notwithstanding any provision of law to the contrary, an established  
16 entrepreneur registered with the Department pursuant to subsection (b) of this  
17 section:

18 (1) may make one or more commercial loans to one or more registered  
19 emerging entrepreneurs with a maximum annual interest rate of not more than  
20 12 percent, up to an aggregate cap of \$500,000.00;

1           (2) shall not be subject to the licensed lender provisions of 8 V.S.A.  
2           chapter 73; and

3           (3) shall be eligible for a credit against his or her income tax liability  
4           imposed under 32 V.S.A. chapter 151, in an amount equal to 50 percent of the  
5           interest earned on a loan made pursuant to this section, in each tax year in  
6           which he or she earns interest.

7           (d) An established entrepreneur registered with the Department pursuant to  
8           subsection (b) of this section:

9           (1) may make one or more equity investments in a business operated by  
10           a registered emerging entrepreneur up to an aggregate cap of \$500,000.00;

11           (2) shall be eligible for a credit against his or her income tax liability  
12           imposed under 32 V.S.A. chapter 151, in an amount equal to 50 percent of the  
13           amount of dividends or capital gains earned on his or her investment made  
14           pursuant to this section, in each tax year in which he or she earns dividends or  
15           capital gains.

16           (e) A registered person who is the recipient of a loan or an equity  
17           investment pursuant to this section shall be eligible for a tax credit against his  
18           or her tax liability imposed under 32 V.S.A. chapter 151, in the amount of  
19           \$1,000.00 for each new full-time job created and maintained for two years,  
20           which he or she may claim for the tax year of the second anniversary of the  
21           date of hire.

1        (f) The Department shall have the authority to adopt rules and procedures  
2        to administer the program created in this section, including:

3            (1) standards for establishing a registration fee and registration tracking  
4        number for each loan or equity investment made through the program;

5            (2) standards for eligibility criteria and ensuring eligibility and  
6        compliance consistent with the program; and

7            (3) a process for awarding tax credit certificates for qualifying taxpayers  
8        pursuant to the program, which a taxpayer shall file with his or her Vermont  
9        income tax return for the tax year in which he or she claims credit.

10        Sec. 100. EFFECTIVE DATES

11        This act shall take effect on July 1, 2015, except, notwithstanding 1 V.S.A.  
12        § 214, Secs. 1–4 (Vermont Employment Growth Incentive provisions) shall  
13        take effect retroactively as of January 1, 2015.