

H.868 – Senate Finance Sections

* * * Vermont Economic Development Authority * * *

Sec. A.1. 10 V.S.A. § 213 is amended to read:

§ 213. AUTHORITY; ORGANIZATION

(a) The Vermont Economic Development Authority is hereby created and established as a body corporate and politic and a public instrumentality of the State. The exercise by the Authority of the powers conferred upon it in this chapter constitutes the performance of essential governmental functions.

(b)(1) The Authority shall have ~~15~~ up to 16 voting members consisting of:

(A) the Secretary of Commerce and Community Development, the State Treasurer, the Secretary of Agriculture, Food and Markets, the Commissioner of Forests, Parks and Recreation, and the Commissioner of Public Service, each of whom shall serve as an ex officio member, or a designee of any of the aforementioned; ~~and~~

(B) up to 10 members, who shall be residents of the State of Vermont, appointed by the Governor with the advice and consent of the Senate. ~~The appointed members shall be appointed for terms of six years and until their successors are appointed and qualified. Appointed members may be removed by the Governor for cause and the Governor may fill any vacancy occurring among the appointed members for the balance of the unexpired term; and~~

1 (C) one member, who is a current member of the Vermont General
2 Assembly, appointed jointly by the Speaker of the House of Representatives
3 and the President Pro Tempore of the Senate, who shall serve a term of six
4 years or until he or she is no longer a member of the General Assembly,
5 whichever occurs sooner.

6 (2)(A) An appointing authority may remove a member for cause.

7 (B) The Governor may fill a vacancy for the balance of the unexpired
8 term.

9 (C) The Speaker and President Pro Tempore may jointly fill a
10 vacancy by appointing a member of the General Assembly to a new six-year
11 term.

12 * * *

13 Sec. A.2. 10 V.S.A. § 216 is amended to read:

14 § 216. AUTHORITY; GENERAL POWERS

15 The Authority is hereby authorized:

16 * * *

17 (15) To delegate to loan officers the power to review, approve, and
18 make loans under this chapter, subject to the approval of the manager, and to
19 disburse funds on such loans, subject to the approval of the manager, ~~provided~~
20 ~~that such loans do not exceed \$350,000.00 in aggregate amount for any~~
21 ~~industrial loan for any three-year period for any particular individual,~~

1 ~~partnership, corporation, or other entity or related entity, or do not exceed~~
2 ~~\$350,000.00 in aggregate amount if the loan is guaranteed by the Farm~~
3 ~~Services Agency, or its successor agency, or \$300,000.00 in aggregate amount~~
4 ~~if the loan is not guaranteed by the Farm Services Agency, or its successor~~
5 ~~agency, for any agricultural loan for any three year period for any particular~~
6 ~~individual, partnership, corporation, or other entity or related entity. No funds~~
7 ~~may be disbursed for any loan approved under this provision, except for any~~
8 ~~agricultural loan referenced above in an amount not to exceed \$50,000.00, and~~
9 ~~no rejection of a loan by a loan officer pursuant to this subdivision shall~~
10 ~~become final, until three working days after the members of the Authority are~~
11 ~~notified by facsimile, electronic mail, or overnight delivery mailed or sent on~~
12 ~~the day of approval or rejection, of the intention to approve or reject such loan.~~
13 ~~If any member objects within that three day period, the approval or rejection~~
14 ~~will be held for reconsideration by the members of the Authority at its next~~
15 ~~duly scheduled meeting.~~

16 * * *

17 Sec. A.3. 10 V.S.A. § 219 is amended to read:

18 § 219. RESERVE FUNDS

19 * * *

20 (d) In order to ensure the maintenance of the debt service reserve
21 requirement in each debt service reserve fund established by the Authority,

1 there may be appropriated annually and paid to the Authority for deposit in
2 each such fund, such sum as shall be certified by the Chair of the Authority, to
3 the Governor, the President of the Senate, and the Speaker of the House, as is
4 necessary to restore each such debt service reserve fund to an amount equal to
5 the debt service reserve requirement for such fund. The Chair shall annually,
6 on or about February 1, make, execute, and deliver to the Governor, the
7 President of the Senate, and the Speaker of the House, a certificate stating the
8 sum required to restore each such debt service reserve fund to the amount
9 aforesaid, and the sum so certified may be appropriated, and if appropriated,
10 shall be paid to the Authority during the then current State fiscal year. The
11 principal amount of bonds or notes outstanding at any one time and secured in
12 whole or in part by a debt service reserve fund to which State funds may be
13 appropriated pursuant to this subsection shall not exceed ~~\$130,000,000.00~~
14 \$155,000,000.00, provided that the foregoing shall not impair the obligation of
15 any contract or contracts entered into by the Authority in contravention of the
16 Constitution of the United States.

17 Sec. A.4. 10 V.S.A. § 220 is added to read:

18 § 220. TRANSFER FROM INDEMNIFICATION FUND

19 The State Treasurer shall transfer from the Indemnification Fund created in
20 former section 222a of this title to the Authority all current and future amounts
21 deposited to that Fund.

1 Sec. A.5. 10 V.S.A. § 234 is amended to read:

2 § 234. THE VERMONT JOBS FUND

3 * * *

4 (c) Monies in the Fund may be loaned to the Vermont Agricultural Credit
5 Program to support its lending operations as established in chapter 16A of this
6 title at interest rates and on terms and conditions to be set by the Authority to
7 ~~establish a line of credit in an amount not to exceed \$60,000,000.00 to be~~
8 ~~advanced to the Vermont Agricultural Credit Program to support its lending~~
9 ~~operations as established in chapter 16A of this title.~~

10 * * *

11 Sec. A.6. 10 V.S.A. chapter 16A is amended to read:

12 CHAPTER 16A. VERMONT AGRICULTURAL CREDIT PROGRAM

13 § 374a. CREATION OF THE VERMONT AGRICULTURAL CREDIT

14 PROGRAM

15 (a) There is created the Vermont Agricultural Credit Program, which will
16 provide an alternative source of sound and constructive credit to farmers and
17 forest products businesses who are not having their credit needs fully met by
18 conventional agricultural credit sources at reasonable rates and terms. The
19 Program is intended to meet, either in whole or in part, the credit needs of
20 eligible agricultural facilities and farm operations in fulfillment of one or more

1 of the purposes listed in this subsection by making direct loans and
2 participating in loans made by other agricultural credit providers:

3 * * *

4 (b) ~~No borrower shall be approved for a loan from the corporation that~~
5 ~~would result in the aggregate principal balances outstanding of all loans to that~~
6 ~~borrower exceeding the then current maximum Farm Service Agency loan~~
7 ~~guarantee limits, or \$2,000,000.00, whichever is greater. [Repealed.]~~

8 § 374b. DEFINITIONS

9 As used in this chapter:

10 (1) “Agricultural facility” means land and rights in land, buildings,
11 structures, machinery, and equipment which is used for, or will be used for
12 producing, processing, preparing, packaging, storing, distributing, marketing,
13 or transporting agricultural or forest products which have been primarily
14 produced in this State, and working capital reasonably required to operate an
15 agricultural facility.

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

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

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

7 (5) “Authority” means the Vermont Economic Development Authority.

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

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

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

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

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

19 (8) “Farm operation” shall mean the cultivation of land or other uses of
20 land for the production of food, fiber, horticultural, silvicultural, orchard,
21 maple syrup, Christmas trees, forest products, or forest crops; the raising,

1 boarding, and training of equines, and the raising of livestock; or any
2 combination of the foregoing activities. Farm operation also includes the
3 storage, preparation, retail sale, and transportation of agricultural or forest
4 commodities accessory to the cultivation or use of such land.

5 (9) “Forest products business” means a Vermont enterprise that is
6 primarily engaged in managing, harvesting, trucking, processing,
7 manufacturing, crafting, or distributing products derived from Vermont forests.

8 (10) “Livestock” shall mean cattle, sheep, goats, equines, fallow deer,
9 red deer, reindeer, American bison, swine, poultry, pheasant, chukar partridge,
10 coturnix quail, ferrets, camelids and ratites, cultured trout propagated by
11 commercial trout farms, and bees.

12 ~~(10)~~(11) “Loan” means an operating loan or farm ownership loan,
13 including a financing lease, provided that such lease transfers the ownership of
14 the leased property to each lessee following the payment of all required lease
15 payments as specified in each lease agreement.

16 ~~(11)~~(12) “Operating loan” means a loan to purchase livestock, farm or
17 forestry equipment, or fixtures to pay annual operating expenses of a farm
18 operation or agricultural facility, to pay loan closing costs, and to refinance
19 indebtedness incurred for farm ownership or operating loan purposes, or both.

20 ~~(12)~~(13) “Program” means the Vermont Agricultural Credit Program
21 established by this chapter.

1 (4) an operator or proposed operator of an agricultural facility, ~~or~~ farm
2 operation, or forest products business for whom the loan reduces investment
3 costs to an extent that offers the applicant a reasonable chance to succeed in
4 the operation and management of an agricultural facility or farm operation;

5 * * *

6 (7) able to demonstrate that the applicant is responsible and able to
7 manage responsibilities as owner or operator of the farm operation, ~~or~~
8 agricultural facility, or forest products business;

9 * * *

10 (13) able to demonstrate that the proposed loan will be adequately
11 secured by a mortgage on real property ~~with a satisfactory maturity date in no~~
12 ~~event later than 20 years from the date of inception of the mortgage~~, or by a
13 security agreement on personal property ~~with a satisfactory maturity date in no~~
14 ~~event longer than the average remaining useful life of the assets in which the~~
15 security interest is being taken; and

16 * * *

17 Sec. A.7. REPEALS

18 (a) 2009 Acts and Resolves No. 54, Sec. 112(b), pledging up to
19 \$1,000,000.00 of the full faith and credit of the State for loss reserves for the
20 Vermont Economic Development Authority small business loan program and
21 TECH loan program, is repealed.

1 (b) In 10 V.S.A. chapter 12 (Vermont Economic Development Authority)
2 the following are repealed:

3 (1) subchapter 2, §§ 221–229 (Mortgage Insurance); and

4 (2) subchapter 8, §§ 279–279b (Vermont Financial Access Program).

5

6 * * * Vermont State Treasurer; Public Retirement Plan * * *

7 Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF ESTABLISHING
8 A PUBLIC RETIREMENT PLAN

9 (a) Creation of Committee.

10 (1) There is created a Public Retirement Plan Study Committee to
11 evaluate the feasibility of establishing a public retirement plan.

12 (2) It is the intent of the General Assembly that the Committee continue
13 the work of the Public Retirement Plan Study Committee created in 2014 Acts
14 and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No.
15 58, Sec. C.100, which ceased to exist on January 15, 2016.

16 (b) Membership.

17 (1) The Public Retirement Plan Study Committee shall be composed of
18 eight members as follows:

19 (A) the State Treasurer or designee;

20 (B) the Commissioner of Labor or designee;

1 (C) the Commissioner of Disabilities, Aging, and Independent Living
2 or designee;

3 (D) an individual with private sector experience in the area of
4 providing retirement products and financial services to small businesses, to be
5 appointed by the Speaker;

6 (E) an individual with experience or expertise in the area of the
7 financial needs of an aging population, to be appointed by the Committee
8 on Committees;

9 (F) an individual with experience or expertise in the area of the
10 financial needs of Vermont youth or young working adults, to be appointed by
11 the Treasurer;

12 (G) a representative of employers, to be appointed by the
13 Speaker; and

14 (H) a representative of employees who currently lack access to
15 employer-sponsored retirement plans, to be appointed by the Committee
16 on Committees.

17 (2) Unless another appointee is specified pursuant to the authority
18 granted under subdivision (1) of this subsection, the members of the Public
19 Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179,
20 Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which

1 ceased to exist on January 15, 2016, shall serve as the members of the
2 Committee created pursuant to this section.

3 (c) Powers and duties.

4 (1)(A) The Committee shall study the feasibility of establishing a public
5 retirement plan, including the following:

6 (i) the access Vermont residents currently have to
7 employer-sponsored retirement plans and the types of employer-sponsored
8 retirement plans;

9 (ii) data and estimates on the amount of savings and resources
10 Vermont residents will need for a financially secure retirement;

11 (iii) data and estimates on the actual amount of savings and
12 resources Vermont residents will have for retirement, and whether those
13 savings and resources will be sufficient for a financially secure retirement;

14 (iv) current incentives to encourage retirement savings, and the
15 effectiveness of those incentives;

16 (v) whether other states have created a public retirement plan and
17 the experience of those states;

18 (vi) whether there is a need for a public retirement plan
19 in Vermont;

20 (vii) whether a public retirement plan would be feasible and
21 effective in providing for a financially secure retirement for Vermont residents;

1 (viii) other programs or incentives the State could pursue in
2 combination with a public retirement plan, or instead of such a plan, in order to
3 encourage residents to save and prepare for retirement; and

4 (B) if the Committee determines that a public retirement plan is
5 necessary, feasible, and effective, the Committee shall study:

6 (i) potential models for the structure, management, organization,
7 administration, and funding of such a plan;

8 (ii) how to ensure that the plan is available to private sector
9 employees who are not covered by an alternative retirement plan;

10 (iii) how to build enrollment to a level where enrollee costs can
11 be lowered;

12 (iv) whether such a plan should impose any obligation or liability
13 upon private sector employers; and

14 (v) any other issue the Committee deems relevant.

15 (2) The Committee shall:

16 (A) continue monitoring U.S. Department of Labor guidance
17 concerning State Savings Programs for Non-Governmental Employees
18 regarding ERISA rules and other pertinent areas of analysis;

19 (B) further analyze the relationship between the role of states and the
20 federal government; and

1 (C) continue its collaboration with educational institutions, other
2 states, and national stakeholders.

3 (3) The Committee shall have the assistance of the staff of the Office of
4 the Treasurer, the Department of Labor, and the Department of Disabilities,
5 Aging, and Independent Living.

6 (d) Report. On or before January 15, 2018, the Committee shall report to
7 the General Assembly its findings and any recommendations for legislative
8 action. In its report, the Committee shall state its findings as to every factor set
9 forth in subdivision (c)(1)(A) of this section, whether it recommends that a
10 public retirement plan be created, and the reasons for that recommendation. If
11 the Committee recommends that a public retirement plan be created, the
12 Committee's report shall include specific recommendations as to the factors
13 listed in subdivision (c)(1)(B) of this section.

14 (e) Meetings; term of Committee; Chair. The Committee may meet
15 as frequently as necessary to perform its work and shall cease to exist on
16 January 15, 2018. The State Treasurer shall serve as Chair of the Committee
17 and shall call the first meeting.

18 (f) Reimbursement. For attendance at meetings, members of the
19 Committee who are not employees of the State of Vermont shall be reimbursed
20 at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for
21 mileage and travel expenses.

1 * * * Vermont State Treasurer; ABLE Savings Program * * *

2 Sec. F.2. 33 V.S.A. § 8001 is amended to read:

3 § 8001. PROGRAM ESTABLISHED

4 * * *

5 (c) The Treasurer or designee shall have the authority to implement the
6 Program in cooperation with one or more states or other partners in the manner
7 he or she determines is in the best interests of the State and designated
8 beneficiaries.

9 (d) The Treasurer or designee shall have the authority to adopt rules,
10 policies, and procedures necessary to implement the provisions of this chapter
11 and comply with applicable federal law.

12 Sec. F.3. 2015 Acts and Resolves No. 51, Sec. C.8 is amended to read:

13 Sec. C.8. VERMONT ABLE TASK FORCE; REPORTS

14 ~~The~~ Until the State Treasurer or designee implements the ABLE Savings
15 Program pursuant to 33 V.S.A. chapter 80, the Treasurer shall convene a
16 Vermont ABLE Task Force to include representatives of the Department of
17 Disabilities, Aging, and Independent Living, the Vermont Developmental
18 Disabilities Council, Vermont Center for Independent Living; Green Mountain
19 Self-Advocates, and other stakeholders with relevant expertise, to provide
20 recommendations annually beginning on or before January 15, 2016 to the
21 House Committee on Commerce and Economic Development and the Senate

1 Committee on Economic Development, Housing and General Affairs on
2 planning and delivery of the ABLE Savings Program, including:

3 (1) promotion and marketing of the Program;

4 (2) rules governing operation of ABLE accounts, including mechanisms
5 for consumer convenience;

6 (3) fees charged to account owners;

7 (4) future enhancements to protect from the loss of State benefits as may
8 be necessary to fulfill the intent of the ABLE Act;

9 (5) the composition and charge of an ABLE Advisory Board; and

10 (6) a progress update on implementation of the Program consistent with
11 U.S. Treasury Department Rules, the Internal Revenue Code, and the federal
12 ABLE Act (P.L. 113-295 of 2014).

13 * * * Vermont State Treasurer;

14 Private Activity Bond Advisory Committee * * *

15 Sec. F.4. PRIVATE ACTIVITY BOND ADVISORY COMMITTEE

16 Notwithstanding any provision of 32 V.S.A. § 994 to the contrary, the
17 Private Activity Bond Advisory Committee shall not meet or perform its
18 statutory duties except upon call of the Vermont State Treasurer in his or her
19 discretion.

20 * * * Vermont State Treasurer;

21 Vermont Community Loan Fund * * *

1 Sec. F.5. REPEAL

2 2014 Acts and Resolves No. 179, Sec. E.131(a) (Treasurer authority to
3 invest in Vermont Community Loan Fund) is repealed.

4 Sec. F.6. 10 V.S.A. § 9 is added to read:

5 § 9. INVESTMENT IN VERMONT COMMUNITY LOAN FUND

6 (a) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary,
7 the State Treasurer is authorized to invest up to \$1,000,000.00 of short-term
8 operating or restricted funds in the Vermont Community Loan Fund on terms
9 acceptable to the Treasurer and consistent with prudent investment principles
10 and guidelines pursuant to 32 V.S.A. § 433(b)–(c).

11 * * * Vermont State Treasurer; Treasurer’s Local Investment
12 Advisory Committee * * *

13 Sec. F.7. REPEAL

14 2014 Acts and Resolves No. 199, Secs. 23–25 (Treasurer’s Local
15 Investment Advisory Committee, Report, and Sunset) are repealed.

16 Sec. F.8. REPEAL

17 2015 Acts and Resolves No. 51, Sec. E.3 (extending sunset of Local
18 Investment Advisory Committee provisions) is repealed.

19 Sec. F.9. 10 V.S.A. §§ 10–11 are added to read:

20 § 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR

1 LOCAL INVESTMENTS

2 (a) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary,
3 the Vermont State Treasurer shall have the authority to establish a credit
4 facility of up to 10 percent of the State’s average cash balance on terms
5 acceptable to the Treasurer and consistent with prudent investment principles
6 and guidelines pursuant to 32 V.S.A. § 433(b)–(c) and the Uniform Prudent
7 Investor Act, 14A V.S.A. chapter 9.

8 (b) The amount authorized in subsection (a) of this section shall include all
9 credit facilities authorized by the General Assembly and established by the
10 Treasurer, and the renewal or replacement of those credit facilities.

11 § 11. TREASURER’S LOCAL INVESTMENT ADVISORY COMMITTEE

12 (a) Creation of committee. The Treasurer’s Local Investment Advisory
13 Committee is established to advise the Treasurer on funding priorities and
14 address other mechanisms to increase local investment.

15 (b) Membership.

16 (1) The Advisory Committee shall be composed of six members as
17 follows:

18 (A) the State Treasurer or designee;

19 (B) the Chief Executive Officer of the Vermont Economic

20 Development Authority or designee;

1 (C) the Chief Executive Officer of the Vermont Student Assistance
2 Corporation or designee;

3 (D) the Executive Director of the Vermont Housing Finance Agency
4 or designee;

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

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

7 (2) The State Treasurer shall be the Chair of the Advisory Committee
8 and shall appoint a vice chair and secretary. The appointed members of the
9 Advisory Committee shall be appointed for terms of six years and shall serve
10 until their successors are appointed and qualified.

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

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

15 (2) invite regularly State organizations, citizens' groups, and members
16 of the public to Advisory Committee meetings to present information on needs
17 for local investment, capital gaps, and proposals for financing; and

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

20 (d) Meetings.

1 (1) Meetings of the Advisory Committee shall occur at the call of the
2 Treasurer.

3 (2) A majority of the members of the Advisory Committee who are
4 physically present at the same location or available electronically shall
5 constitute a quorum, and a member may participate and vote electronically.

6 (3) To be effective, action of the Advisory Committee shall be taken by
7 majority vote of the members at a meeting in which a quorum is present.

8 (e) Report. On or before January 15, the Advisory Committee annually
9 shall submit a report to the Senate Committees on Appropriations, on
10 Economic Development, Housing and General Affairs, on Finance, and on
11 Government Operations and the House Committees on Appropriations, on
12 Commerce and Economic Development, on Ways and Means, and on
13 Government Operations. The report shall include the following:

14 (1) the amount of the subsidies associated with lending through each
15 credit facility authorized by the General Assembly and established by the
16 Treasurer;

17 (2) a description of the Advisory Committee's activities; and

18 (3) any information gathered by the Advisory Committee on the State's
19 unmet capital needs, and other opportunities for State support for local
20 investment and the community.

21

1 * * * Vermont Employment Growth Incentive * * *

2 Sec. H.1. 32 V.S.A. chapter 105 is added to read:

3 CHAPTER 105. VERMONT EMPLOYMENT GROWTH INCENTIVE
4 PROGRAM

5 Subchapter 1. Vermont Economic Progress Council

6 § 3025. VERMONT ECONOMIC PROGRESS COUNCIL

7 (a) Creation. The Vermont Economic Progress Council is created to
8 exercise the authority and perform the duties assigned to it, including its
9 authority and duties relating to:

10 (1) the Vermont Employment Growth Incentive Program pursuant to
11 subchapter 2 of this chapter; and

12 (2) tax increment financing districts pursuant to 24 V.S.A. chapter 53,
13 subchapter 5 and section 5404a of this title.

14 (b) Membership.

15 (1) The Council shall have 11 voting members:

16 (A) nine residents of the State appointed by the Governor with the
17 advice and consent of the Senate who are knowledgeable and experienced in
18 the subjects of community development and planning, education funding
19 requirements, economic development, State fiscal affairs, property taxation, or
20 entrepreneurial ventures and represent diverse geographical areas of the State
21 and municipalities of various sizes;

1 (B) one member of the Vermont House of Representatives appointed
2 by the Speaker of the House; and

3 (C) one member of the Vermont Senate appointed by the Senate
4 Committee on Committees.

5 (2)(A) The Council shall have two regional members from each region
6 of the State, one appointed by the regional development corporation of the
7 region and one appointed by the regional planning commission of the region.

8 (B) A regional member shall be a nonvoting member and shall serve
9 during consideration by the Council of an application from his or her region.

10 (c) Terms.

11 (1) Members of the Council appointed by the Governor shall serve
12 initial staggered terms with five members serving four-year terms, and four
13 members serving two-year terms.

14 (2) After the initial term expires, a member's term is four years and a
15 member may be reappointed.

16 (3) A term commences on April 1 of each odd-numbered year.

17 (d) Compensation.

18 (1) For attendance at a meeting and for other official duties, a member
19 appointed by the Governor shall be entitled to compensation for services and
20 reimbursement of expenses as provided in section 1010 of this title, except that
21 a member who is a member of the General Assembly shall be entitled to

1 compensation for services and reimbursement of expenses as provided in
2 2 V.S.A. § 406.

3 (2) A regional member who does not otherwise receive compensation
4 and reimbursement of expenses from his or her regional development or
5 planning organization shall be entitled to compensation and reimbursement of
6 expenses for attendance at meetings and for other official duties as provided in
7 section 1010 of this title.

8 (e) Operation.

9 (1) The Governor shall appoint a chair from the Council's members.

10 (2) The Council shall receive administrative support from the Agency of
11 Commerce and Community Development and the Department of Taxes.

12 (3) The Council shall have:

13 (A) an executive director appointed by the Governor with the advice
14 and consent of the Senate who is knowledgeable in subject areas of the
15 Council's jurisdiction and who is an exempt State employee; and

16 (B) administrative staff.

17 (f) Rulemaking authority. The Council shall have the authority to adopt
18 policies and procedures as necessary, and to adopt rules under 3 V.S.A.
19 chapter 25, to implement the provisions of this chapter.

20 (g) Decisions not subject to review. A decision of the Council to approve
21 or deny an application under subchapter 2 of this chapter, or to approve or

1 deny a tax increment financing district pursuant to 24 V.S.A. chapter 53,
2 subchapter 5 and section 5404a of this title, is an administrative decision that is
3 not subject to the contested case hearing requirements under 3 V.S.A. chapter
4 25 and is not subject to judicial review.

5 § 3026. COST-BENEFIT MODEL

6 (a) The Council shall adopt and maintain a cost-benefit model for assessing
7 and measuring the projected net fiscal cost and benefit to the State of proposed
8 economic development activities.

9 (b) The Council shall not modify the cost-benefit model without the prior
10 approval of the Joint Fiscal Committee.

11 Subchapter 2. Vermont Employment Growth Incentive Program

12 § 3030. PURPOSE; FORM OF INCENTIVES; ENHANCED INCENTIVES

13 ELIGIBLE APPLICANT

14 (a) Purpose. The purpose of the Vermont Employment Growth Incentive
15 Program is to encourage a business to add incremental and qualifying payroll,
16 jobs, and capital investments by sharing with the business a portion of the
17 revenue generated by the new payroll, new jobs, and new capital investments,
18 thereby generating net new revenues to the State.

19 (b) Form of incentives; enhanced incentives.

1 (1) The Vermont Economic Progress Council may approve an incentive
2 under this subchapter in the form of a direct cash payment in annual
3 installments.

4 (2) The Council may approve the following enhanced incentives:

5 (A) an enhanced incentive for a business in a labor market area with
6 higher than average unemployment or lower than average wages pursuant to
7 section 3034 of this title;

8 (B) an enhanced incentive for an environmental technology business
9 pursuant to section 3035 of this title; and

10 (C) an enhanced incentive for a business that participates in a State
11 workforce training program pursuant to section 3036 of this title.

12 (c) Eligible applicant. Only a business may apply for an incentive pursuant
13 to this subchapter.

14 § 3031. DEFINITIONS

15 As used in this subchapter:

16 (1) “Award period” means the consecutive five years during which a
17 business may apply for an incentive under this subchapter.

18 (2) “Base employment” means the number of full-time Vermont jobs
19 held by non-owner employees as of the date a business with an approved
20 application commences its proposed economic activity.

1 (3) “Base payroll” means the Vermont gross salaries and wages paid as
2 compensation to full-time Vermont jobs held by non-owner employees as of
3 the date a business with an approved application commences its proposed
4 economic activity.

5 (4) “Capital investment performance requirement” means the minimum
6 value of additional investment in one or more capital improvements.

7 (5) “Jobs performance requirement” means the minimum number of
8 qualifying jobs a business must add.

9 (6) “Labor market area” means a labor market area as designated by the
10 Vermont Department of Labor.

11 (7) “Non-owner” means a person with no more than 10 percent
12 ownership interest, including attribution of ownership interests of the person’s
13 spouse, parents, spouse’s parents, siblings, and children.

14 (8) “Payroll performance requirement” means the minimum value of
15 Vermont gross salaries and wages a business must pay as compensation for
16 one or more qualifying jobs.

17 (9) “Qualifying job” means a new, permanent position in Vermont that
18 meets each of the following criteria:

19 (A) The position is filled by a non-owner employee who regularly
20 works at least 35 hours each week.

1 (B) The business provides compensation for the position that equals
2 or exceeds the wage threshold.

3 (C) The business provides for the position at least three of the
4 following:

5 (i) health care benefits with 50 percent or more of the premium
6 paid by the business;

7 (ii) dental assistance;

8 (iii) paid vacation;

9 (iv) paid holidays;

10 (v) child care;

11 (vi) other extraordinary employee benefits;

12 (vii) retirement benefits;

13 (viii) other paid time off, including paid sick days.

14 (D) The position is not an existing position that the business transfers
15 from another facility within the State.

16 (E) When the position is added to base employment, the business's
17 total employment exceeds its average annual employment during the two
18 preceding years, unless the Council determines that the business is establishing
19 a significantly different, new line of business and creating new jobs in the new
20 line of business that were not part of the business prior to filing its application.

1 (10) “Utilization period” means each year of the award period and the
2 four years immediately following each year of the award period.

3 (11) “Vermont gross wages and salaries” means Medicare wages as
4 reported on Federal Tax Form W-2 to the extent those wages are Vermont
5 wages, excluding income from nonstatutory stock options.

6 (12) “Wage threshold” means the minimum amount of annualized
7 Vermont gross wages and salaries a business must pay for a qualifying job, as
8 required by the Council in its discretion, but not less than:

9 (A) 60 percent above the State minimum wage at the time of
10 application; or

11 (B) for a business located in a labor market area in which the average
12 annual unemployment rate is higher than the average annual unemployment
13 rate for the State, 40 percent above the State minimum wage at the time of
14 application.

15 § 3032. APPLICATION; APPROVAL CRITERIA; GUIDELINES

16 (a) Application.

17 (1) A business may apply for an incentive in one or more years of an
18 award period by submitting an application to the Council in the format the
19 Council specifies for that purpose.

20 (2) For each award year the business applies for an incentive, the
21 business shall:

1 (A) specify a payroll performance requirement;

2 (B) specify a jobs performance requirement or a capital investment
3 performance requirement, or both; and

4 (C) provide any other information the Council requires to evaluate
5 the application under this subchapter.

6 (b) Mandatory criteria. The Council shall not approve an application
7 unless it finds:

8 (1) Except as otherwise provided for an enhanced incentive for a
9 business in a qualifying labor market area under section 3034 of this title, the
10 new revenue the proposed activity generates to the State exceeds the costs of
11 the activity to the State.

12 (2) The host municipality welcomes the new business.

13 (3) The proposed economic activity conforms to applicable town and
14 regional plans.

15 (4) If the business proposes to expand within a limited local market, an
16 incentive would not give the business an unfair competitive advantage over
17 other Vermont businesses in the same or similar line of business and in the
18 same limited local market.

19 (5) But for the incentive, the proposed economic activity:

20 (A) would not occur; or

1 (B) would occur in a significantly different manner that is
2 significantly less desirable to the State.

3 § 3033. CALCULATING THE VALUE OF AN INCENTIVE

4 Except as otherwise provided for an enhanced incentive for a business in a
5 qualifying labor market area under section 3034 of this title, an enhanced
6 incentive for an environmental technology business under section 3035 of this
7 title, or an enhanced incentive for workforce training under section 3036 of this
8 title, the Council shall calculate the value of an incentive for an award year as
9 follows:

10 (1) Calculate new revenue growth. To calculate new revenue growth,
11 the Council shall use the cost-benefit model created pursuant to section 3026
12 of this title to determine the amount by which the new revenue generated by
13 the proposed economic activity to the State exceeds the costs of the activity to
14 the State.

15 (2) Calculate the business's potential share of new revenue growth.
16 Except as otherwise provided for an environmental technology business in
17 section 3035 of this title, to calculate the business's potential share of new
18 revenue growth, the Council shall multiply the new revenue growth determined
19 under subdivision (1) of this subsection by 80 percent.

20 (3) Calculate the incentive percentage. To calculate the incentive
21 percentage, the Council shall divide the business's potential share of new

1 revenue growth by the sum of the business's annual payroll performance
2 requirements.

3 (4) Calculate qualifying payroll. To calculate qualifying payroll, the
4 Council shall subtract from the payroll performance requirement the projected
5 value of background growth in payroll for the proposed economic activity.

6 (5) Calculate the value of the incentive. To calculate the value of the
7 incentive, the Council shall multiply qualifying payroll by the incentive
8 percentage.

9 (6) Calculate the amount of the annual installment payments. To
10 calculate the amount of the annual installment payments, the Council shall:

11 (A) divide the value of the incentive by five; and

12 (B) adjust the value of the first installment payment so that it is
13 proportional to the actual number of days that new qualifying employees are
14 employed in the first year of hire.

15 § 3034. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING

16 LABOR MARKET AREA

17 (a) The Council may increase the value of an incentive for a business that is
18 located in a labor market area in which:

19 (1) the average annual unemployment rate is greater than the average
20 annual unemployment rate for the State; or

1 (2) the average annual wage is less than the average annual wage for the
2 State.

3 (b) In each calendar year, the amount by which the Council may increase
4 the value of all incentives pursuant to this section is:

5 (1) \$1,500,000.00 for one or more initial approvals; and

6 (2) \$1,000,000.00 for one or more final approvals.

7 (c) The Council may increase the cap imposed in subdivision (b)(2) of this
8 section by not more than \$500,000.00 upon application to, and approval of, the
9 Emergency Board.

10 (d) In evaluating the Governor’s request, the Committee shall consider the
11 economic and fiscal condition of the State, including recent revenue forecasts
12 and budget projections.

13 (e) The Council shall provide the Committee with testimony,
14 documentation, company-specific data, and any other information the
15 Committee requests to demonstrate that increasing the cap will create an
16 opportunity for return on investment to the State.

17 § 3035. ENHANCED INCENTIVE FOR ENVIRONMENTAL

18 TECHNOLOGY

19 BUSINESS

20 (a) As used in this section, an “environmental technology business” means
21 a business that:

1 (1) is subject to income taxation in Vermont; and

2 (2) seeks an incentive for economic activity in Vermont that the

3 Secretary of Commerce and Community Development certifies is primarily

4 research, design, engineering, development, or manufacturing related to one or

5 more of the following:

6 (A) waste management, including waste collection, treatment,

7 disposal, reduction, recycling, and remediation;

8 (B) natural resource protection and management, including water and

9 wastewater purification and treatment, air pollution control and prevention or

10 remediation, soil and groundwater protection or remediation, and hazardous

11 waste control or remediation;

12 (C) energy efficiency or conservation;

13 (D) clean energy, including solar, wind, wave, hydro, geothermal,

14 hydrogen, fuel cells, waste-to-energy, or biomass.

15 (b) The Council shall consider and administer an application from an

16 environmental technology business pursuant to the provisions of this

17 subchapter, except that:

18 (1) the business's potential share of new revenue growth shall be

19 90 percent; and

20 (2) to calculate qualifying payroll, the Council shall:

1 (A) determine the background growth rate in payroll for the
2 applicable business sector in the award year;

3 (B) multiply the business’s full-time payroll for the award year by
4 20 percent of the background growth rate; and

5 (C) subtract the product from the payroll performance requirement
6 for the award year.

7 § 3036. ENHANCED INCENTIVE FOR WORKFORCE TRAINING

8 (a) A business whose application is approved may elect to claim the
9 incentive specified for an award year as an enhanced training incentive by:

10 (1) notifying the Council of its intent to pursue an enhanced training
11 incentive and dedicate its incentive funds to training through the Vermont
12 Training Program; and

13 (2) applying for a grant from the Vermont Training Program to perform
14 training for one or more new employees who hold qualifying jobs.

15 (b) If a business is awarded a grant for training under this section, the
16 Agency of Commerce and Community Development shall disburse grant funds
17 for on-the-job training of 75 percent of wages for each employee in training or
18 75 percent of trainer expense, and the business shall be responsible for the
19 remaining 25 percent of the applicable training costs.

1 (c) A business that successfully completes its training shall submit a
2 written certificate of completion to the Agency of Commerce and Community
3 Development which shall notify the Department of Taxes.

4 (d) Upon notification by the Agency, and if the Department determines that
5 the business has earned the incentive for the award year, it shall:

6 (1) disburse to the business a payment in an amount equal to 25 percent
7 of the cost for training expenses pursuant to subsection (b) of this section;

8 (2) disburse to the Agency of Commerce and Community Development
9 a payment in an amount equal to 25 percent of the cost for training expenses
10 pursuant to subsection (b) of this section; and

11 (3) disburse the remaining value of the incentive in annual installments
12 pursuant to section 3037 of this title.

13 § 3037. EARNING AN INCENTIVE

14 (a) Earning an incentive; installment payments.

15 (1) A business with an approved application earns the incentive
16 specified for an award year if, within the applicable time period provided in
17 this section, the business:

18 (A) maintains or exceeds its base payroll and base employment;

19 (B) meets or exceeds the payroll performance requirement specified
20 for the award year; and

1 (C) meets or exceeds the jobs performance requirement specified for
2 the award year, or the capital investment performance requirement specified
3 for the award year, or both.

4 (2) A business that earns an incentive specified for an award year is
5 eligible to receive an installment payment for the year in which it earns the
6 incentive and for each of the next four years in which the business:

7 (A) maintains or exceeds its base payroll and base employment;

8 (B) maintains or exceeds the payroll performance requirement
9 specified for the award year; and

10 (C) if the business earns an incentive by meeting or exceeding the
11 jobs performance target specified for the award year, maintains or exceeds the
12 jobs performance requirement specified for the award year.

13 (b) Award year one.

14 (1) For award year one, a business has from the date it commences its
15 proposed economic activity through December 31 of that year, plus two
16 additional years, to meet the performance requirements specified for award
17 year one.

18 (2) A business that does not meet the performance requirements
19 specified for award year one within this period becomes ineligible to earn
20 incentives for the award year and for all remaining award years in the award
21 period.

1 (c) Award years two and three.

2 (1) For award year two and award year three, beginning on January 1 of
3 the award year, a business has three years to meet the performance
4 requirements specified for the award year.

5 (2) A business that does not meet the performance requirements
6 specified for award year two or for award year three within three years
7 becomes ineligible to earn incentives for the award year and for all remaining
8 award years in the award period.

9 (d) Extending the earning period in award years one and two.

10 Notwithstanding subsection (b) of this section:

11 (1) Upon request, the Council may extend the period to earn an
12 incentive for award year one or award year two if it determines:

13 (A) a business did not earn the incentive for the award year due to
14 facts or circumstances beyond its control; and

15 (B) there is a reasonable likelihood the business will earn the
16 incentive within the extended period.

17 (2) The Council may extend the period to earn an incentive:

18 (A) for award year one, by two years, reviewed annually; or

19 (B) for award year two, by one year.

1 (3) If the Council extends the period to earn an incentive, it shall
2 recalculate the value of the incentive using the cost-benefit model and shall
3 adjust the amount of the incentive as is necessary to account for the extension.

4 (e) Award year four.

5 (1) Beginning on January 1 of award year four, a business that remains
6 eligible to earn incentives has two years to meet the performance requirements
7 specified for award year four.

8 (2) A business that does not meet the performance requirements
9 specified for award year four within two years becomes ineligible to earn
10 incentives for award year four and award year five.

11 (f) Award year five.

12 (1) Beginning on January 1 of award year five, a business that remains
13 eligible to earn incentives has one year to meet the performance requirements
14 specified for award year five.

15 (2) A business that does not meet the performance requirements
16 specified for award year five by the end of that award year becomes ineligible
17 to earn the incentive specified for that award year.

18 (g) Carrying forward growth that exceeds targets. If a business exceeds
19 one or more of the payroll performance requirement, the jobs performance
20 requirement, or the capital investment performance requirement specified for
21 an award year, the business may apply the excess payroll, excess jobs, and

1 excess capital investment toward the performance requirement specified for a
2 future award year, provided that the business maintains the excess payroll,
3 excess jobs, or excess capital investment into the future award year.

4 § 3038. CLAIMING AN INCENTIVE; ANNUAL FILING WITH
5 DEPARTMENT OF TAXES

6 (a) On or before April 30 following each year of the utilization period, a
7 business with an approved application shall submit an incentive claim to the
8 Department of Taxes.

9 (b) A business shall include the information the Department requires,
10 including the information required in section 5842 of this title and other
11 documentation concerning payroll, jobs, and capital investment necessary to
12 determine whether the business earned the incentive specified for an award
13 year and any installment payment for which the business is eligible.

14 (c) The Department may consider an incomplete claim to be timely filed if
15 the business files a complete claim within the additional time allowed by the
16 Department in its discretion.

17 (d) Upon finalizing its review of a complete claim, the Department shall:

18 (1) notify the business and the Council whether the business is entitled
19 to an installment payment for the applicable year; and

20 (2) make an installment payment to which the business is entitled.

1 (e) The Department shall not pay interest on any amounts it holds or pays
2 for an incentive or installment payment pursuant to this subchapter.

3 § 3039. RECAPTURE; REDUCTION; REPAYMENT

4 (a) Recapture.

5 (1) The Department of Taxes may recapture the value of one or more
6 installment payments a business has claimed, with interest, if:

7 (A) the business fails to file a claim as required in section 3038 of
8 this title; or

9 (B) during the utilization period, the business experiences:

10 (i) a 90 percent or greater reduction from base employment; or

11 (ii) if it had no jobs at the time of application, a 90 percent or
12 greater reduction from the sum of its job performance requirements.

13 (2) If the Department determines that a business is subject to recapture
14 under subdivision (1) of this subsection, the business becomes ineligible to
15 earn or claim an additional incentive or installment payment for the remainder
16 of the utilization period.

17 (3) Notwithstanding any other statute of limitations, the Department
18 may commence a proceeding to recapture amounts under subdivision (1) of
19 this subsection as follows:

20 (A) under subdivision (1)(A) of this subsection, no later than three
21 years from the last day of the utilization period; and

1 (B) under subdivision (1)(B) of this subsection, no later than three
2 years from date the business experiences the reduction from base employment,
3 or three years from the last day of the utilization period, whichever occurs first.

4 (b) Reduction; recapture. If a business fails to make capital investments
5 that equal or exceed the sum of its capital investment performance
6 requirements by the end of the award period:

7 (1) The Department shall:

8 (A) calculate a reduced incentive by multiplying the combined value
9 of the business's award period incentives by the same proportion that the
10 business's total actual capital investments bear to the sum of its capital
11 investment performance requirements; and

12 (B) reduce the value of any remaining installment payments for
13 which the business is eligible by the same proportion.

14 (2) If the value of the installment payments the business has already
15 received exceeds the value of the reduced incentive, then:

16 (A) the business becomes ineligible to claim any additional
17 installment payments for the award period; and

18 (B) the Department shall recapture the amount by which the value of
19 the installment payments the business has already received exceeds the value
20 of the reduced incentive.

21 (c) Tax liability.

1 (1) A person who has the duty and authority to remit taxes under this
2 title shall be personally liable for an installment payment that is subject to
3 recapture under this section.

4 (2) For purposes of this section, the Department of Taxes may use any
5 enforcement or collection action available for taxes owed pursuant to chapter
6 151 of this title.

7 § 3040. REPORTING

8 (a) On or before September 1 of each year, the Vermont Economic
9 Progress Council and the Department of Taxes shall submit a joint report on
10 the incentives authorized in this subchapter to the House Committees on Ways
11 and Means, on Commerce and Economic Development, and on
12 Appropriations, to the Senate Committees on Finance, on Economic
13 Development, Housing and General Affairs, and on Appropriations, and to the
14 Joint Fiscal Committee.

15 (b) The Council and the Department shall include in the joint report:

16 (1) the total amount of incentives authorized during the preceding year;

17 (2) with respect to each business with an approved application:

18 (A) the date and amount of authorization;

19 (B) the calendar year or years in which the authorization is expected
20 to be exercised;

21 (C) whether the authorization is active; and

1 (D) the date the authorization will expire; and

2 (3) the following aggregate information:

3 (A) the number of claims and incentive payments made in the current
4 and prior claim years;

5 (B) the number of qualifying jobs; and

6 (C) the amount of new payroll and capital investment.

7 (c) The Council and the Department shall present data and information in
8 the joint report in a searchable format.

9 (d) Notwithstanding any provision of law to the contrary, an incentive
10 awarded pursuant to this subchapter shall be treated as a tax expenditure for
11 purposes of chapter 5 of this title.

12 § 3041. CONFIDENTIALITY OF PROPRIETARY BUSINESS

13 INFORMATION

14 (a) The Vermont Economic Progress Council and the Department of Taxes
15 shall use measures to protect proprietary financial information, including
16 reporting information in an aggregate form.

17 (b) Information and materials submitted by a business concerning its
18 income taxes and other confidential financial information shall not be subject
19 to public disclosure under the State's public records law in 1 V.S.A. chapter 5,
20 but shall be available to the Joint Fiscal Office or its agent upon authorization
21 of the Joint Fiscal Committee or a standing committee of the General

1 Assembly, and shall also be available to the Auditor of Accounts in connection
2 with the performance of duties under section 163 of this title; provided,
3 however, that the Joint Fiscal Office or its agent and the Auditor of Accounts
4 shall not disclose, directly or indirectly, to any person any proprietary business
5 information or any information that would identify a business except in
6 accordance with a judicial order or as otherwise specifically provided by law.

7 (c) Nothing in this section shall be construed to prohibit the publication of
8 statistical information, rulings, determinations, reports, opinions, policies, or
9 other information so long as the data are disclosed in a form that cannot
10 identify or be associated with a particular business.

11 § 3042. ANNUAL PROGRAM CAP

12 (a) In each calendar year the Vermont Economic Progress Council may
13 approve one or more incentives under this subchapter, the total value of which
14 shall not exceed:

15 (1) \$15,000,000.00 for one or more initial approvals; and

16 (2) \$10,000,000.00 for one or more final approvals.

17 (b) The Council may increase the cap imposed in subdivision (a)(2) of this
18 section by not more than \$5,000,000.00 upon application to, and approval of,
19 the Emergency Board.

1 (c) In evaluating the Governor’s request, the Committee shall consider the
2 economic and fiscal condition of the State, including recent revenue forecasts
3 and budget projections.

4 (d) The Council shall provide the Committee with testimony,
5 documentation, company-specific data, and any other information the
6 Committee requests to demonstrate that increasing the cap will create an
7 opportunity for return on investment to the State.

8 Sec. H.2. 10 V.S.A. § 531(d)(2) is amended to read:

9 (2) disburse grant funds only for training hours that have been
10 successfully completed by employees; provided that, except for an award
11 under an enhanced ~~training~~ incentive for workforce training as provided in
12 ~~32 V.S.A. § 5930b(h)~~ 32 V.S.A. § 3036, a grant for on-the-job training shall
13 either provide not more than 50 percent of wages for each employee in
14 training; or not more than 50 percent of trainer expense, but not both, and
15 further provided that training shall be performed in accordance with a training
16 plan that defines the subject of the training, the number of training hours, and
17 how the effectiveness of the training will be evaluated; and

18 Sec. H.3. 21 V.S.A. § 1314(e)(1) is amended to read:

19 (e)(1) Subject to such restrictions as the Board may by regulation prescribe,
20 information from unemployment insurance records may be made available to
21 any public officer or public agency of this or any other state or the federal

1 government dealing with the administration or regulation of relief, public
2 assistance, unemployment compensation, a system of public employment
3 offices, wages and hours of employment, workers' compensation,
4 misclassification or miscoding of workers, occupational safety and health, or a
5 public works program for purposes appropriate to the necessary operation of
6 those offices or agencies. The Commissioner may also make information
7 available to colleges, universities, and public agencies of the State for use in
8 connection with research projects of a public service nature, and to the
9 Vermont Economic Progress Council with regard to the administration of
10 ~~32 V.S.A. chapter 151, subchapter 11E~~ 32 V.S.A. chapter 105, subchapter 2;
11 but no person associated with those institutions or agencies may disclose that
12 information in any manner that would reveal the identity of any individual or
13 employing unit from or concerning whom the information was obtained by
14 Commissioner.

15 * * *

16 Sec. H.4. 32 V.S.A. § 3102(e)(11) is amended to read:

17 (11) To the Joint Fiscal Office or its agent, provided that the disclosure
18 relates to a successful business applicant under ~~section 5930a~~ chapter 105,
19 subchapter 2 of this title and the ~~tax~~ incentive it has claimed and is reasonably
20 necessary for the Joint Fiscal Office or its agent to perform the duties
21 authorized by the Joint Fiscal Committee or a standing committee of the

1 General Assembly under ~~subsection 5930a(h)~~ that subchapter; to the Auditor
2 of Accounts for the performance of duties under section 163 of this title; to the
3 Department of Economic Development for the purposes of subsection 5922(f)
4 of this title; and to the Vermont Economic Progress Council, provided that the
5 disclosure relates to a successful business applicant under ~~sections 5930a and~~
6 ~~5930b~~ chapter 105, subchapter 2 of this title and the ~~tax~~ incentive it has
7 claimed and is reasonably necessary for the ~~council~~ Council to perform its
8 duties under ~~sections 5930a and 5930b~~ that subchapter.

9 Sec. H.5. 32 V.S.A. § 5401(10) is amended to read:

10 (10) “Nonresidential property” means all property except:

11 * * *

12 (H) ~~Real property, excluding land, consisting of unoccupied new~~
13 ~~facilities, or unoccupied facilities under renovation or expansion, owned by a~~
14 ~~business that has obtained the approval of the Vermont Economic Progress~~
15 ~~Council under section 5930a of this title that is less than 75 percent complete,~~
16 ~~not in use as of April 1 of the applicable tax year, and for a period not to~~
17 ~~exceed two years. [Repealed.]~~

18 (I) ~~Real property consisting of the value of remediation expenditures~~
19 ~~incurred by a business that has obtained the approval of the Vermont~~
20 ~~Economic Progress Council under section 5930a of this title for the~~
21 ~~construction of new, expanded or renovated facilities on contaminated property~~

1 ~~eligible under the redevelopment of contaminated properties program pursuant~~
2 ~~to 10 V.S.A. § 6615a(f), including supporting infrastructure, on sites eligible~~
3 ~~for the United States Environmental Protection Agency “Brownfield Program,”~~
4 ~~for a period of 10 years. [Repealed.]~~

5 * * *

6 Sec. H.6. 32 V.S.A. § 5404a is amended to read:

7 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
8 FINANCING DISTRICTS

9 (a) Tax agreements and exemptions affecting the education property tax
10 grand list. A tax agreement or exemption shall affect the education property
11 tax grand list of the municipality in which the property subject to the
12 agreement is located if the agreement or exemption is:

13 (1) A prior agreement, meaning that it was:

14 (A) a tax stabilization agreement for any purpose authorized under
15 24 V.S.A. § 2741 or comparable municipal charter provisions entered into or
16 proposed and voted by the municipality before July 1, 1997, or a property tax
17 exemption adopted by vote pursuant to chapter 125 of this title or comparable
18 municipal charter provisions before July 1, 1997; or

19 (B) an agreement relating to property sold or transferred by the New
20 England Power Company of its Connecticut River system and its facilities
21 along the Deerfield River which was warned before September 1, 1997.

1 (2) A tax stabilization agreement relating to industrial or commercial
2 property entered into under 24 V.S.A. § 2741, or comparable municipal charter
3 provisions ~~or an exemption for the purposes of economic development adopted~~
4 ~~by vote under sections 3834 (factories; quarries; mines), 3836 (private homes~~
5 ~~and dwellings), 3837 (airports), or 3838 (hotels) of this title or comparable~~
6 ~~municipal charter provisions after June 30, 1997 if subsequently approved by~~
7 ~~the Vermont Economic Progress Council pursuant to this subsection and~~
8 ~~section 5930a of this title. An agreement or exemption may be approved by~~
9 ~~the Vermont Economic Progress Council only if it has first been approved by~~
10 ~~the municipality in which the property is located with respect to the municipal~~
11 ~~tax liability of the property in that municipality. Any agreement or exemption~~
12 ~~approved by the Vermont Economic Progress Council may not affect the~~
13 ~~education tax liability of the property in a greater proportion than the~~
14 ~~agreement or exemption affects the municipal tax liability of the property. A~~
15 ~~municipality's approval of an agreement or exemption under this subsection~~
16 ~~may be made conditional upon approval of the agreement or exemption by the~~
17 ~~Vermont Economic Progress Council. The legislative body of the municipality~~
18 ~~in which the property subject to the agreement or exemption is located or the~~
19 ~~business that is subject to the agreement or exemption may request the~~
20 ~~Vermont Economic Progress Council to approve an agreement or exemption~~
21 ~~pursuant to section 5930a of this title. The Council shall also report to the~~

1 ~~General Assembly on the terms of the agreement or exemption, and the effect~~
2 ~~of the agreement or exemption on the education property tax grand list of the~~
3 ~~municipality and of the State. If so approved by the Council, an agreement or~~
4 ~~exemption shall be effective to reduce the property tax liability of the~~
5 ~~municipality under this chapter beginning April 1 of the year following~~
6 ~~approval.~~

7 (3) An agreement relating to affordable housing, which ~~may be~~
8 ~~submitted to the council for its approval under subdivision (2) of this~~
9 ~~subsection, or alternatively~~ may be approved under this subdivision by the
10 Commissioner of Taxes upon recommendation of the Commissioner of
11 Housing and Community Affairs provided the agreement provides either for
12 new construction housing projects or rehabilitated preexisting housing projects
13 and secures federal financial participation which may include projects financed
14 with federal low income housing tax credits.

15 * * *

16 (b) An agreement affecting the education property tax grand list defined
17 under subsection (a) of this section shall reduce the municipality's education
18 property tax liability under this chapter for the duration of the agreement or
19 exemption without extension or renewal, and for a maximum of 10 years,
20 ~~subject to the provisions of subsection 5930b(f) of this title.~~ A municipality's
21 property tax liability under this chapter shall be reduced by any difference

1 between the amount of the education property taxes collected on the subject
2 property and the amount of education property taxes that would have been
3 collected on such property if its fair market value were taxed at the equalized
4 nonresidential rate for the tax year.

5 (c) Tax agreements not affecting the education property tax grand list. A
6 tax agreement shall not affect the education property tax grand list if it is:

7 (1) A tax exemption adopted by vote of a municipality after July 1, 1997
8 under chapter 125 of this title, or voted under a comparable municipal charter
9 provision or other provision of law for property owned by nonprofit
10 organizations used for public, pious, or charitable purposes, ~~other than~~
11 ~~economic development exemptions voted under section 3834, 3836, 3837, or~~
12 ~~3838 of this title and approved by the Vermont Economic Progress Council, or~~
13 exemptions of property of a nonprofit volunteer fire, rescue, or ambulance
14 organization adopted by vote of a municipality.

15 (2) A tax stabilization agreement relating to agricultural property, ~~forest~~
16 ~~land~~ forestland, open space land, or alternate energy generating plants entered
17 into after July 1, 1997 by a municipality under 24 V.S.A. § 2741.

18 (3) A tax stabilization agreement relating to commercial or industrial
19 property entered into after July 1, 1997 by a municipality under 24 V.S.A.
20 § 2741, ~~or a property tax exemption for purposes of economic development~~
21 ~~adopted by vote after July 1, 1997, which has not been approved by the~~

1 ~~Vermont Economic Progress Council to affect the education grand list under~~
2 ~~subsection (a)(2) of this section and section 5930a of this title. In granting tax~~
3 ~~stabilization agreements for commercial or industrial property under 24 V.S.A.~~
4 ~~§ 2741, a municipality shall consider any applicable guidelines established for~~
5 ~~the approval of such stabilization agreements by the Vermont Economic~~
6 ~~Progress Council established in subsection 5930a(c) of this title.~~

7 * * *

8 Sec. H.7. 32 V.S.A. § 5813 is amended to read:

9 § 5813. STATUTORY PURPOSES

10 * * *

11 (u) The statutory purpose of the ~~Vermont employment growth incentive~~
12 Vermont Employment Growth Incentive Program in ~~section 5930b- chapter~~
13 105, subchapter 2 of this title is to ~~provide a cash incentive to encourage~~
14 ~~quality job growth in Vermont~~ encourage a business to add incremental and
15 qualifying payroll, jobs, and capital investments by sharing with the business a
16 portion of the revenue generated by the new payroll, new jobs, and new capital
17 investments, thereby generating net new revenues to the State.

18 * * *

1 Sec. H.8. 32 V.S.A. § 5930ll(a)(1) is amended to read:

2 (1) “Full-time job” ~~has the same meaning as defined in subdivision~~
3 ~~5930b(a)(9) of this title~~ means a permanent position filled by an employee who
4 works at least 35 hours per week.

5 Sec. H.9. 32 V.S.A. § 9741(39) is amended to read:

6 (39) Sales of building materials within any three consecutive years in
7 excess of one million dollars in purchase value, ~~which may be reduced to~~
8 ~~\$250,000.00 in purchase value upon approval of the Vermont Economic~~
9 ~~Progress Council pursuant to section 5930a of this title,~~ used in the
10 construction, renovation, or expansion of facilities which are used exclusively,
11 except for isolated or occasional uses, for the manufacture of tangible personal
12 property for sale.

13 **Sec. H.10. VEGI; REPEAL OF AUTHORITY TO AWARD INCENTIVES**

14 Notwithstanding any provision of law to the contrary, the Vermont
15 Economic Progress Council shall not accept or approve an application for a
16 Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,
17 subchapter 2 on or after January 1, 2028.

18 Sec. H.11. VERMONT EMPLOYMENT GROWTH INCENTIVE

19 TECHNICAL WORKING GROUP

1 (a) On or before August 15, 2016, the Joint Fiscal Committee shall convene
2 a Vermont Employment Growth Incentive Technical Working Group
3 composed of the following:

4 (1) the State legislative economist;

5 (2) the State executive economist;

6 (3) a policy analyst from the Agency of Commerce and Community
7 Development;

8 (4) an economic and labor market information chief from the
9 Department of Labor;

10 (5) a fiscal analyst from the Department of Taxes; and

11 (6) the Executive Director of the Vermont Economic Progress Council,

12 who shall serve as a nonvoting ex officio member of the Group.

13 (b) The Technical Working Group shall review technical questions relating
14 to the Vermont Employment Growth Incentive Program cost-benefit model,
15 including a review of whether the Program can integrate the use of
16 business-specific background growth rates in addition to, or in place of,
17 industry-specific background growth rates; and if industry-specific background
18 growth rates are recommended, a methodology to review, calculate, and set
19 those rates routinely.

20 (c) On or before January 15, 2017, the Working Group shall report its
21 findings, conclusions, recommendations, and supporting data for legislative

1 action to the House Committees on Commerce and Economic Development,
2 on Ways and Means, and on Appropriations, and to the Senate Committees on
3 Economic Development, Housing and General Affairs, on Finance, and on
4 Appropriations.

5 Sec. H.12. VERMONT EMPLOYMENT GROWTH INCENTIVE; REVIEW

6 (a) The Vermont Economic Progress Council shall review the following
7 policy questions relating to the Vermont Employment Growth Incentive
8 Program:

9 (1) whether and how to include a mechanism in the Program for equity
10 investments in incentive recipients or to recoup incentive payments in the
11 event an incentive recipient is sold;

12 (2) how to most effectively ensure, through the application and award
13 process, that recipients of VEGI incentives are in compliance with all federal
14 and State water quality and air quality laws and regulations;

15 (3) the size, industry, and profile of the businesses that historically have
16 experienced, and are forecasted to experience, the most growth in Vermont,
17 and whether the Program can be more targeted to these businesses; and

18 (4) changes to the Program to ensure incentives will benefit the creation
19 and growth of more small businesses.

20 (b) On or before January 15, 2017, the Council shall report its findings,
21 conclusions, recommendations, and supporting data for legislative action to the

1 House Committees on Commerce and Economic Development, on Ways and
2 Means, and on Appropriations, and to the Senate Committees on Economic
3 Development, Housing and General Affairs, on Finance, and on
4 Appropriations.

5 **Sec. H.13. EXTENSION OF CURRENT VEGI STATUTE; TRANSITION**

6 **Sec. 3(c) of No. 184 of the Acts of the 2005 Adj. Sess. (2006), as amended by**
7 **Sec. 2 of No. 52 of the Acts of 2011, and as further amended by 2012 Acts and**
8 **Resolves No. 143, Sec. 20, is amended to read:**

9 (c) Beginning April 1, 2009, the economic incentive review board is
10 authorized to grant payroll-based growth incentives pursuant to the Vermont
11 employment growth incentive program established by Sec. 9 of this
12 act. Unless extended by act of the General Assembly, as of ~~July 1, 2017~~
13 January 1, 2018, no new Vermont employment growth incentive (VEGI)
14 awards under 32 V.S.A. § 5930b may be made. Any VEGI awards granted
15 prior to ~~July 1, 2017~~ January 1, 2018 may remain in effect until used and shall
16 governed by the provisions of 32 V.S.A chapter 105.

17 **Sec. H.14. PROSPECTIVE REPEAL OF CURRENT VEGI STATUTE**

18 32 V.S.A. §§ 5930a and 5930b are repealed.

19
20 * * * Regulation of Lodging Accommodations * * *

21 **Sec. J.1. STUDY; INTERNET-BASED LODGING**

1 On or before January 15, 2017, the Department of Taxes, the Department of
2 Health, the Department of Tourism and Marketing, the Department of
3 Financial Regulation, and the Division of Fire Safety within the Department of
4 Public Safety, engaging interested stakeholders as necessary, shall:

5 (1) review the provisions of law within their subject matter jurisdiction,
6 and enforcement of those provisions if any, applicable to Internet-based
7 lodging accommodations businesses; and

8 (2) report its findings, conclusions, and any recommendations for
9 administrative action or legislative action, or both, to the House Committees on
10 Commerce and Economic Development and on Ways and Means, and to the
11 Senate Committees on Finance and on Economic Development, Housing and
12 General Affairs.

13
14 * * * Cross Border Study * * *

15 Sec. Q.1. CROSS BORDER STUDY; REPORT

16 (a) The Legislative Economist shall perform a study on the relative
17 long-term economic impacts of Vermont and New Hampshire tax policies
18 affecting retail business competitiveness, including:

19 (1) impacts on the pattern of retailing, the location of retail activity, and
20 retail market share;

1 (2) impacts of retail sales tax rates and other related excise taxes,
2 including on tobacco products, and to the extent data are available, on alcohol
3 and gasoline; and

4 (3) the impact by business size, to the extent data are available,

5 (b) On or before January 15, 2017, the Legislative Economist shall submit
6 to the House Committee on Ways and Means and the Senate Committee on
7 Finance his or her report.

8 (c)(1) For the purposes of this section, the Legislative Economist shall have
9 the assistance of the Departments of Taxes and of Liquor Control, the Office of
10 Legislative Council, and the Joint Fiscal Office.

11 (2) The Joint Fiscal Office shall bear the costs of the study and report
12 required by this section from the amounts appropriated to it in fiscal year 2017.

13

14 *** Workforce Housing; Pilot Projects;

15 Down Payment Assistance Program***

16 Sec. T.1. PURPOSE

17 The purpose of Sec. T.2 of this act is to promote the creation of workforce
18 housing:

19 (1) by creating two or more workforce housing pilot projects in targeted
20 areas that benefit from funding for infrastructure improvements;

1 (2) by funding grants to municipalities so they can pursue designated
2 downtown development districts, designated new town centers, designated
3 growth centers, and designated neighborhood development areas, and by
4 capitalizing on the existing regulatory benefits for these designated areas to
5 promote the creation of new workforce housing; and

6 (3) by extending the First Time Homebuyer’s Down Payment
7 Assistance Program through the Vermont Housing Finance Agency to provide
8 loans to more Vermont employees for down payment assistance and closing
9 costs.

10 Sec. T.2. WORKFORCE HOUSING PILOT PROJECTS;

11 INFRASTRUCTURE IMPROVEMENTS; APPROPRIATION

12 (a) Definition. As used in this act, “workforce housing pilot project”
13 means a discrete project located on a single tract or multiple contiguous tracts
14 of land that consists exclusively of owner-occupied housing or rental housing,
15 or both, that meets each of the following:

16 (1) The project includes 12 or more independent dwelling units, which
17 may be detached or connected.

18 (2)(A) A minimum of 25 percent of the total number of units in the
19 project will be owned by or rented to occupants whose gross annual household
20 income does not exceed 80 percent of:

1 (i) the county median income, as defined by the U.S. Department
2 of Housing and Urban Development; or

3 (ii) the standard metropolitan statistical area median income, if the
4 municipality is located in such an area, as defined by the U.S. Department of
5 Housing and Urban Development; and

6 (B) the total annual cost of the housing, including principal, interest,
7 taxes, insurance, and condominium association fees for owner-occupied
8 housing, and rent, utilities, and condominium association fees for rental
9 housing, is not more than 30 percent of the gross annual household income.

10 (3)(A) A minimum of 50 percent of the total number of units in the
11 project will be owned by or rented to occupants whose gross annual household
12 income exceeds 80 percent, but does not exceed 120 percent, of:

13 (i) the county median income, as defined by the U.S. Department
14 of Housing and Urban Development; or

15 (ii) the standard metropolitan statistical area median income, if the
16 municipality is located in such an area, as defined by the U.S. Department of
17 Housing and Urban Development; and

18 (B) the total annual cost of the housing, including principal, interest,
19 taxes, insurance, and condominium association fees, is not more than 30
20 percent of the gross annual household income.

21 (4) The project will:

1 (A) be located in a designated downtown development district,
2 designated new town center, designated growth center, or designated
3 neighborhood development area under 24 V.S.A. chapter 76A; or

4 (B)(i) have a minimum residential density greater than or equal to
5 four single-family detached dwelling units per acre, exclusive of accessory
6 dwelling units as defined in 24 V.S.A. § 4303, or no fewer than the average
7 existing density of the surrounding neighborhood, whichever is greater; and

8 (ii) the area in which the project is located represents a logical
9 extension of an existing compact settlement pattern and is consistent with
10 smart growth principles as defined in 24 V.S.A. § 2791.

11 (b) Pilot projects.

12 (1) Of the amounts appropriated to the Agency of Human Services to
13 replace legacy technologies pursuant to 2010 Acts and Resolves No. 156,
14 Sec. D.106(c)(1), as amended by 2011 Acts and Resolves No. 63, Sec. C.100,
15 the amount of \$1,000,000.00 is hereby appropriated to the Vermont Housing
16 and Conservation Board for the purpose of awarding grants to fund
17 infrastructure improvements benefitting two or more workforce housing pilot
18 projects pursuant to this section.

19 (2) The Board, in consultation with the Department of Housing and
20 Community Development, shall create an application and approval process to
21 select two or more workforce housing pilot projects to provide the funding for

1 all or a portion of infrastructure improvements that benefit the project or
2 projects.

3 (c) Eligibility.

4 (1) Not more than one project may be located in a municipality with a
5 population of more than 10,000 full-time residents.

6 (2) Not more than one project may be located in a single county.

7 (3) Eligible infrastructure improvements shall include roads, sidewalks,
8 bridges, culverts, water, wastewater, stormwater, and other utilities.

9 (4) To remain eligible for grant funds, the person developing a project
10 shall complete the project within two years from the effective date of a grant
11 agreement with the Board.

12 (5) The Board shall give preference to proposals in which some or all of
13 the units required by subdivision (a)(2) of this section are subject to covenants
14 or other restrictions that make them perpetually affordable.

15 (d) Reports.

16 (1) On or before December 15, 2016, the Vermont Housing and
17 Conservation Board shall submit an initial report to the House Committees on
18 Commerce and Economic Development and on General, Housing and Military
19 Affairs and the Senate Committee on Economic Development, Housing and
20 General Affairs, on action it has taken pursuant to this act, the status of any

1 workforce housing pilot projects, and any recommendations for additional
2 administrative or legislative action.

3 (2) On or before December 15, 2016, the Agency of Commerce and
4 Community Development shall report to the House Committees on Commerce
5 and Economic Development and on General, Housing and Military Affairs and
6 the Senate Committee on Economic Development, Housing and General
7 Affairs on the following:

8 (A) A review of existing statutes and programs, such as property tax
9 reallocation, that may serve as tools to update existing housing stock.

10 (B) Data from the Agency of Natural Resources, the Agency of
11 Agriculture, Food and Markets, and the Natural Resources Board with respect
12 to priority housing projects.

13 (i) For each such project, these agencies shall provide in the
14 report:

15 (I) Whether the project received an exemption under 10 V.S.A.
16 chapter 151 (Act 250).

17 (II) The amount of the fee savings under Act 250.

18 (III) The amount of the fee savings under permit programs
19 administered by the Agency of Natural Resources.

1 (IV) The cost under 10 V.S.A. § 6093 to mitigate primary
2 agricultural soils and a comparison to what that cost of such mitigation would
3 have been if the project had not qualified as a priority housing project.

4 (ii) Based on this data, the report shall summarize the benefits
5 provided to priority housing projects.

6 (iii) In this subdivision (B), “primary agricultural soils” and
7 “priority housing project” have the same meaning as in 10 V.S.A. § 6001.

8 (C) The results of a process led by the Executive Director of the
9 Vermont Economic Progress Council to engage stakeholders, including
10 representatives of the private lending industry; the private housing
11 development industry; a municipality that has an Tax Increment Financing
12 District; a municipality that has a designated downtown, growth center, or
13 neighborhood development area; a municipality that has a priority housing
14 project; the Department of Housing and Community Development; the
15 Department of Economic Development; the Department of Taxes; and the
16 Vermont Housing and Conservation Board, to investigate alternative municipal
17 infrastructure financing to enable smaller communities to build the needed
18 infrastructure to support mixed-income housing projects in communities
19 around the State.

20 (3) On or before December 15, 2018, the Vermont Housing and
21 Conservation Board shall submit a final report to the House Committees on

1 Commerce and Economic Development and on General, Housing and Military
2 Affairs and the Senate Committee on Economic Development, Housing and
3 General Affairs on action it has taken pursuant to this act, the status of any
4 workforce housing pilot projects, and any recommendations for additional
5 administrative or legislative action.

6 Sec. T.3. 32 V.S.A. § 5930u is amended to read:

7 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

8 * * *

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

10 (A) \$400,000.00 in total first-year credit allocations to all applicants
11 for rental housing projects, for ~~a total~~ an aggregate limit of \$2,000,000.00 over
12 any given five-year period that credits are available under this subdivision (A);

13 (B) \$300,000.00 in total first-year credit allocations for
14 owner-occupied unit financing or down payment loans consistent with the
15 allocation plan, including for new construction and manufactured housing, for
16 ~~a total~~ an aggregate limit of \$1,500,000.00 over any given five-year period that
17 credits are available under this subdivision (B).

18 (2) ~~In fiscal years 2016, 2017, and 2018, the allocating agency may~~
19 ~~award up to \$125,000.00 in total first-year credit allocations for loans through~~
20 ~~the Down Payment Assistance Program created in subdivision (b)(2) of this~~

1 ~~section for a total aggregate limit of \$375,000.00 over the five year period that~~
2 ~~credits are available under this subdivision.~~

3 In any fiscal year, total first-year credit allocations under subdivision (1)
4 of this subsection plus succeeding-year deemed allocations shall not exceed
5 \$3,500,000.00.

6 (h) ~~The aggregate limit for all credit allocations available under this section~~
7 ~~in any fiscal year is \$3,875,000.00.~~

8 (1) In fiscal year 2016 through fiscal year 2022, the allocating agency
9 may award up to \$125,000.00 in total first-year credit allocations for loans
10 through the Down Payment Assistance Program created in subdivision (b)(2)
11 of this section.

12 (2) In any fiscal year, total first-year credit allocations under subdivision
13 (1) of this subsection plus succeeding-year deemed allocations shall not exceed
14 \$625,000.00.

15 * * * Effective Dates * * *

16 Sec. Z.1. EFFECTIVE DATES

17 (a) This section and the following sections shall take effect on passage:

18 (1) Secs. A.1–A.7 (Vermont Economic Development Authority).

19 (2) Sec. B.1 (cooperatives; electronic voting).

20 (3) Sec. E.3 (technical correction to business registration statute).

21 (4) Sec. G.1 (Medicaid for working people with disabilities).

1 (5) Sec. Q.1 (cross border study).

2 (b) The following sections shall take effect on July 1, 2016:

3 (1) Sec. D.1 (Vermont Training Program).

4 (2) Secs. F.1–F.9 (Vermont State Treasurer).

5 (3) Secs. H.11–H.13 (Technical Working Group review; VEPC review).

6 (4) Sec. I.1 (blockchain technology).

7 (5) Sec. J.1 (Internet-based lodging accommodations study).

8 (6) Secs. K.1–K.3 (State Workforce Development Board).

9 (7) Secs. L.1–L.3 (Vermont Creative Network).

10 (8) Secs. M.1–M.2 (employee ownership).

11 (9) Secs. N.1–N.3 (Veterans Entrepreneurship Program).

12 (10) Secs. O.1–O.2 (Vermont Sustainable Jobs Fund).

13 (11) Secs. P.1–P.2 (southern Vermont economic development).

14 (12) Sec. S.1 (appropriation; Vermont Enterprise Fund).

15 (13) Secs. T.1–T.3 (workforce housing; down payment assistance).

16 (c) The following sections shall take effect on July 1, 2017:

17 (1) Secs. C.1–C.2 (regional planning and development).

18 (2) Secs. E.1–E.2 (conversion, merger, share exchange, and

19 domestication of a corporation).

20 (d)(1) Notwithstanding 1 V.S.A. § 214, Sec. E.3 (technical corrections to

21 LLC Act) shall take effect retroactively as of July 1, 2015, and apply only to:

1 (A) a limited liability company formed on or after July 1, 2015; and
2 (B) except as otherwise provided in subdivision (4) of this
3 subsection, a limited liability company formed before July 1, 2015 that elects,
4 in the manner provided in its operating agreement or by law for amending the
5 operating agreement, to be subject to this act.

6 (2) Sec. E.3 does not affect an action commenced, a proceeding brought,
7 or a right accrued before July 1, 2015.

8 (3) Except as otherwise provided in subdivision (4) of this subsection,
9 Sec. E.3 shall apply to all limited liability companies on and after July 1, 2016.

10 (4) For the purposes of applying Sec. E.3 to a limited liability company
11 formed before July 1, 2015, for the purposes of applying 11 V.S.A. § 4023 and
12 subject to 11 V.S.A. § 4003, language in the company’s articles of
13 organization designating the company’s management structure operates as if
14 that language were in the operating agreement.

15 (e) Sec. R.1 (Financial Literacy Commission) shall take effect on July 2,
16 2016.

17 (f) Secs. H.1–H.10 (Vermont Employment Incentive Growth program) and
18 Sec. H.14 (prospective repeal of VEGI statute) shall take effect on January 1,
19 2018.

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE