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S.135

Introduced by Committee on Economic Development, Housing and General  
Affairs

Date: March 21, 2017

Subject: Commerce and trade; economic development

Statement of purpose of bill as introduced: This bill proposes to implement  
multiple strategies in diverse subject areas to promote economic development.

An act relating to promoting economic development

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

\* \* \* Vermont Employment Growth Incentive Program \* \* \*

Sec. A.1. 32 V.S.A. chapter 105 is amended to read:

CHAPTER 105. VERMONT EMPLOYMENT GROWTH  
INCENTIVE PROGRAM

\* \* \*

§ 3332. APPLICATION; APPROVAL CRITERIA

(a) Application.

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

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

3                   (A) specify a payroll performance requirement;

4                   (B) specify a jobs performance requirement or a capital investment  
5 performance requirement, or both; and

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

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

10                   (1) Except as otherwise provided for an enhanced incentive for a  
11 business in a qualifying labor market area under section 3334 of this title, the  
12 new revenue the proposed activity ~~generates~~ would generate to the State  
13 ~~exceeds~~ would exceed the costs of the activity to the State.

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

15                   (3) ~~The~~ Pursuant to a self-certification or other documentation the  
16 Council requires by rule or procedure, the business attests to the best of its  
17 knowledge:

18                           (A) the business is not a named party to an administrative order,  
19 consent decree, or judicial order issued by the State or a subdivision of the  
20 State, or if a named party, that the business is in compliance with the terms of  
21 such an order or decree;



1 State.

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

4 (1) \$1,500,000.00 for one or more initial approvals; and

5 (2) \$1,000,000.00 for one or more final approvals.

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

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

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

16 (f) The purpose of the enhanced incentive for a business in a qualifying  
17 labor market area is to increase job growth in economically disadvantaged  
18 regions of the State, as provided in subsection (a) of this section.

19 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL  
20 TECHNOLOGY BUSINESS

21 (a) As used in this section, an "environmental technology business" means

1 a business that:

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

3 (2) seeks an incentive for economic activity in Vermont that the  
4 Secretary of Commerce and Community Development certifies is primarily  
5 research, design, engineering, development, or manufacturing related to one or  
6 more of the following:

7 (A) waste management, including waste collection, treatment,  
8 disposal, reduction, recycling, and remediation;

9 (B) natural resource protection and management, including water and  
10 wastewater purification and treatment, air pollution control and prevention or  
11 remediation, soil and groundwater protection or remediation, and hazardous  
12 waste control or remediation;

13 (C) energy efficiency or conservation;

14 (D) clean energy, including solar, wind, wave, hydro, geothermal,  
15 hydrogen, fuel cells, waste-to-energy, or biomass.

16 (b) The Council shall consider and administer an application from an  
17 environmental technology business pursuant to the provisions of this  
18 subchapter, except that:

19 (1) the business's potential share of new revenue growth shall be 90  
20 percent; and

21 (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 20  
4 percent of the background growth rate; and

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

7 (c) The purpose of the enhanced incentive for an environmental technology  
8 business is to promote the growth of businesses in Vermont that both create  
9 and sustain high quality jobs and improve the natural environment.

10 \* \* \*

11 § 3338. CLAIMING AN INCENTIVE; ANNUAL FILING WITH  
12 DEPARTMENT OF TAXES

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

16 (b) A business shall include:

17 (1) the information the Department requires, including the information  
18 required in section 5842 of this title and other documentation concerning  
19 payroll, jobs, and capital investment necessary to determine whether the  
20 business earned the incentive specified for an award year and any installment  
21 payment for which the business is eligible; and

22 (2) a self-certification or other documentation the Department requires

1 by rule or procedure, by which the business attests to the best of its knowledge  
2 that:

3 (A) the business is not a named party to an administrative order,  
4 consent decree, or judicial order issued by the State or a subdivision of the  
5 State, or if a named party, that the business is in compliance with the terms of  
6 such an order or decree; and

7 (B) the business complies with applicable State laws and regulations.

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

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

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

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

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

17 § 3339. RECAPTURE; REDUCTION; REPAYMENT

18 (a) Recapture.

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

21 (A) the business fails to file a claim as required in section 3338 of

1 this title; or

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

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

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

6 (C) the Department determines that during the application or claims  
7 process the business knowingly made a false attestation that the business:

8 (i) was not a named party to, or was in compliance with, an  
9 administrative order, consent decree, or judicial order issued by the State or a  
10 subdivision of the State: or

11 (ii) was in compliance with State laws and regulations.

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

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

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

21 (B) under subdivision (1)(B) of this subsection, no later than three

1 years from date the business experiences the reduction from base employment,  
2 or three years from the last day of the utilization period, whichever occurs  
3 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 \* \* \*

8 § 3341. CONFIDENTIALITY OF PROPRIETARY BUSINESS  
9 INFORMATION

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

13 ~~(b) Information~~ Except for information required to be reported under  
14 section 3340 of this title or as provided in this section, information and  
15 materials submitted by a business concerning its income taxes and other  
16 confidential financial information shall not be subject to public disclosure  
17 under the State's public records law in 1 V.S.A. chapter 5, but shall be to the  
18 Vermont Economic Progress Council, or business-specific data generated by  
19 the Council as part of its consideration of an application under this subchapter,  
20 that is not otherwise publicly disclosed, is exempt from public inspection and  
21 copying under the Public Records Act and shall be kept confidential. Records

1 related to incentive claims under this chapter that are produced or acquired by  
2 the Department of Taxes are confidential returns or return information and are  
3 subject to the provisions of section 3102 of this title.

4 (b)(1) The Council shall disclose information and materials described in  
5 subsection (a) of this section:

6 (A) to the Joint Fiscal Office or its agent upon authorization of the  
7 Joint Fiscal Committee or a standing committee of the General Assembly, and  
8 shall also be available; and

9 (B) to the Auditor of Accounts in connection with the performance  
10 of duties under section 163 of this title; provided, however, that the

11 (2) The Joint Fiscal Office or its agent and the Auditor of Accounts  
12 shall not disclose, directly or indirectly, to any person any proprietary business  
13 information or any information that would identify a business materials  
14 received under this subsection except in accordance with a judicial order or as  
15 otherwise specifically provided unless authorized by law.

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

20 \* \* \*

21 \* \* \* VEGI; Confidentiality \* \* \*

1 Sec. A.2. 32 V.S.A. § 3102 is amended to read:

2 § 3102. CONFIDENTIALITY OF TAX RECORDS

3 (a) No present or former officer, employee, or agent of the Department of  
4 Taxes shall disclose any return or return information to any person who is not  
5 an officer, employee, or agent of the Department of Taxes except in  
6 accordance with the provisions of this section. A person who violates this  
7 section shall be fined not more than \$1,000.00 or imprisoned for not more than  
8 one year, or both; and if the offender is an officer or employee of this State, he  
9 or she shall, in addition, be dismissed from office and be incapable of holding  
10 any public office for a period of five years thereafter.

11 \* \* \*

12 (d) The Commissioner shall disclose a return or return information:

13 \* \* \*

14 (5) to the Attorney General, if such return or return information relates  
15 to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for  
16 purposes of investigating potential violations of and enforcing 7 V.S.A. chapter  
17 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19,  
18 subchapters 1A and 1B;

19 (6) to the Vermont Economic Progress Council, provided that the  
20 disclosure relates to a successful business applicant under chapter 105,  
21 subchapter 2 of this title and the incentive it has claimed and is reasonably

1 necessary for the Council to perform its duties under that subchapter.

2 (e) The Commissioner may, in his or her discretion and subject to such  
3 conditions and requirements as he or she may provide, including any  
4 confidentiality requirements of the Internal Revenue Service, disclose a return  
5 or return information:

6 \* \* \*

7 (11) To the Joint Fiscal Office or its agent, provided that the disclosure  
8 relates to a successful business applicant under chapter 105, subchapter 2 of  
9 this title and the incentive it has claimed and is reasonably necessary for the  
10 Joint Fiscal Office or its agent to perform the duties authorized by the Joint  
11 Fiscal Committee or a standing committee of the General Assembly under that  
12 subchapter; to the Auditor of Accounts for the performance of duties under  
13 section 163 of this title; and to the Department of Economic Development for  
14 the purposes of subsection 5922(f) of this title; ~~and to the Vermont Economic  
15 Progress Council, provided that the disclosure relates to a successful business  
16 applicant under chapter 105, subchapter 2 of this title and the incentive it has  
17 claimed and is reasonably necessary for the Council to perform its duties under  
18 that subchapter.~~

19 \* \* \*

20 ~~\* \* \* Land Use and Economic Development \* \* \*~~

21 ~~\* \* \* Act 250 Parties; Prohibition on Monetary Demand in Return for~~

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~~Withdrawal \* \* \*~~

~~Sec. B.1. 10 V.S.A. § 6085 is amended to read:~~

~~§ 6085. HEARINGS; PARTY STATUS~~

~~(a), (b) [Repealed.]~~

~~(c)(1) Party status. In proceedings before the District Commissions, the following persons shall be entitled to party status:~~

~~(A) the applicant;~~

~~(B) the landowner, if the applicant is not the landowner;~~

~~(C) the municipality in which the project site is located, and the municipal and regional planning commissions for that municipality; if the project site is located on a boundary, any Vermont municipality adjacent to that border and the municipal and regional planning commissions for that municipality; and the solid waste management district in which the land is located, if the development or subdivision constitutes a facility pursuant to subdivision 6602(10) of this title;~~

~~(D) any State agency affected by the proposed project;~~

~~(E) any adjoining property owner or other person who has a particularized interest protected by this chapter that may be affected by an act or decision by a District Commission.~~

~~\* \* \*~~

~~(7) For-profit entities, money demand. A for-profit business entity that~~

1 ~~is a party under subdivision (c)(1)(E) of this section to an application~~  
2 ~~proceeding under this chapter or an appeal from such a proceeding may offer~~  
3 ~~to withdraw its opposition or appeal in return for payment or other~~  
4 ~~consideration only if the payment or consideration will redress, mitigate, or~~  
5 ~~remediate the effect of the proposed development or subdivision on a~~  
6 ~~particularized interest protected by this chapter for which the entity obtained~~  
7 ~~party status. Noncompliance with this subdivision (7) shall disqualify the~~  
8 ~~entity from party status.~~

9  
*Sec. B.1. [Deleted.]*

10 \* \* \* Public Retirement \* \* \*

11 Sec. C.1. THE GREEN MOUNTAIN SECURE RETIREMENT PLAN

12 (a) The State of Vermont shall, consistent with federal law and regulation,  
13 adopt and implement a voluntary Multiple Employer Plan (MEP) public  
14 retirement plan, which shall remain in compliance with federal law and  
15 regulations once implemented, and shall be called the “Green Mountain Secure  
16 Retirement Plan.”

17 (b) The Plan shall be designed and implemented based upon the following  
18 guiding principles:

19 (1) Simplicity: the Plan should be easy for participants to understand.

20 (2) Affordability: the Plan should be administered to maximize cost  
21 effectiveness and efficiency.

1           (3) Ease of access: the Plan should be easy to join.

2           (4) Trustworthy oversight: the Plan should be administered by an  
3           organization with unimpeachable credentials.

4           (5) Protection from exploitation: the Plan should protect its  
5           participants, particularly the elderly, from unscrupulous business practices and  
6           individuals.

7           (6) Portability: the Plan should not depend upon employment with a  
8           specific firm or organization.

9           (7) Choice: the Plan should provide sufficient investment alternatives to  
10          be suitable for individuals with distinct goals, but not too many options to  
11          induce analysis paralysis.

12          (8) Voluntary: the Plan should not be mandatory but autoenrollment  
13          should be used to increase participation.

14          (9) Financial education and financial literacy: the Plan should assist the  
15          individual in understanding their financial situation.

16          (10) Sufficient savings: the Plan should encourage adequate savings in  
17          retirement combined with existing pension savings and Social Security.

18          (11) Additive not duplicative: the Plan should not compete with  
19          existing private sector solutions.

20          (12) Use of pretax dollars: contributions to the Plan should be made  
21          using pretax dollars.

1       (c) The Plan shall:

2           (1) be available on a voluntary basis to:

3               (A) employers:

4                   (i) with 50 employees or fewer; and

5                   (ii) who do not currently offer a retirement plan to their  
6 employees; and

7               (B) self-employed individuals;

8           (2) automatically enroll all employees of employers who choose to  
9 participate in the MEP;

10          (3) allow employees the option of withdrawing their enrollment and  
11 ending their participation in the MEP;

12          (4) be funded by employee contributions with an option for future  
13 voluntary employer contributions; and

14          (5) be overseen by a board that shall:

15               (A) set program terms;

16               (B) prepare and design plan documents; and

17               (C) be authorized to appoint an administrator to assist in the selection  
18 of investments, managers, custodians, and other support services.

*(5) be overseen by a board:*

*(A) that shall:*

*(i) set program terms;*

*(ii) prepare and design plan documents; and*

(iii) be authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services; and

(B) that shall be composed of seven members as follows:

(i) an individual with investment experience, to be appointed by the Governor;

(ii) an individual with private sector retirement plan experience, to be appointed by the Governor;

(iii) an individual with investment experience, to be appointed by the State Treasurer;

(iv) an individual who is an employee or retiree, to be appointed by the State Treasurer;

(v) an individual who is an employee advocate or consumer advocate, to be appointed by the Speaker of the House;

(vi) an individual who is an employer, to be appointed by the Committee on Committees; and

(vii) the State Treasurer, who shall serve as chair.

1           (d) The State of Vermont shall implement the “Green Mountain Secure  
2           Retirement Plan” on or before January 15, 2019, based on the  
3           recommendations of the Public Retirement Plan Study Committee as set forth  
4           in Sec. C.2 of this act.

5           Sec. C.2. 2016 Acts and Resolves No. 157, Sec. F.1 is amended to read:

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

8           (a) Creation of Committee.

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

11                      (2) It is the intent of the General Assembly that the Committee continue

1 the work of the Public Retirement Plan Study Committee created in 2014 Acts  
2 and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves  
3 No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop  
4 specific recommendations concerning the design, creation, and implementation  
5 of the Multiple Employer Plan (MEP), ~~and the board that will oversee the~~  
6 ~~plan~~, pursuant to in Sec. C.1 of this act and as set forth in the January 6, 2017  
7 report issued by the Committee.

8 (b) Membership.

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

11 (A) the State Treasurer or designee;

12 (B) the Commissioner of Labor or designee;

13 (C) the Commissioner of Disabilities, Aging, and Independent Living  
14 or designee;

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

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

21 (F) an individual with experience or expertise in the area of the

1 financial needs of Vermont youth or young working adults, to be appointed by  
2 the Treasurer;

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

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

8 (2) Unless another appointee is specified pursuant to the authority  
9 granted under subdivision (1) of this subsection, the members of the Public  
10 Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179,  
11 Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which  
12 ceased to exist on January 15, 2016, shall serve as the members of the  
13 Committee created pursuant to this section.

14 (c) Powers and duties.

15 (1)(A) The Committee shall ~~study the feasibility of establishing a~~  
16 develop specific recommendations concerning the design, creation, and  
17 implementation time line of the Multiple Employer Plan (MEP) public  
18 retirement plan, including the following pursuant to Sec. C.1 of this act, which  
19 shall:

20 (i) ~~the access Vermont residents currently have to employer-~~  
21 ~~sponsored retirement plans and the types of employer-sponsored retirement~~

1 plans;

2 ~~(ii) data and estimates on the amount of savings and resources~~

3 Vermont residents will need for a financially secure retirement;

4 ~~(iii) data and estimates on the actual amount of savings and~~

5 resources Vermont residents will have for retirement, and whether those

6 savings and resources will be sufficient for a financially secure retirement;

7 ~~(iv) current incentives to encourage retirement savings, and the~~

8 effectiveness of those incentives;

9 ~~(v) whether other states have created a public retirement plan and~~

10 the experience of those states;

11 ~~(vi) whether there is a need for a public retirement plan~~

12 in Vermont;

13 ~~(vii) whether a public retirement plan would be feasible and~~

14 effective in providing for a financially secure retirement for Vermont residents;

15 ~~(viii) other programs or incentives the State could pursue in~~

16 combination with a public retirement plan, or instead of such a plan, in order

17 to encourage residents to save and prepare for retirement; and be available on a

18 voluntary basis to:

19 (I) employers:

20 (aa) with 50 employees or fewer; and

21 (bb) who do not currently offer a retirement plan to their

1 employees; and

2 (II) self-employed individuals;

3 (ii) automatically enroll all employees of employers who choose  
4 to participate in the MEP;

5 (iii) allow employees the option of withdrawing their enrollment  
6 and ending their participation in the MEP;

7 (iv) be funded by employee contributions with an option for  
8 future voluntary employer contributions; and

9 (v) be overseen by a board that shall:

10 (I) set programs terms;

11 (II) prepare and design plan documents; and

12 (III) be authorized to appoint an administrator to assist in the  
13 selection of investments, managers, custodians, and other support services.

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

16 ~~(i) potential models for the structure, management, organization,~~  
17 ~~administration, and funding of such a plan;~~

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

20 ~~(iii) how to build enrollment to a level where enrollee costs can~~  
21 ~~be lowered;~~

1           ~~(iv) whether such a plan should impose any obligation or liability~~  
2 ~~upon private sector employers; The Committee, and thereafter the board that~~  
3 ~~will oversee the MEP, shall study and make specific recommendations~~  
4 ~~concerning:~~

5           (i) options to provide access to retirement plans to individuals  
6 who are not eligible to participate in, or choose not to participate in, the MEP  
7 public retirement plan, including alternative plans and options vetted by the  
8 board that shall oversee the MEP, and which plans and options shall be  
9 provided through a marketplace implemented no earlier than one year after the  
10 MEP begins;

11           (ii) options for paying for the costs of administering the MEP for  
12 the period during which program costs may exceed revenues, including  
13 allowing financial service providers to subsidize costs in exchange for longer  
14 term contracts;

15           (iii) the composition, membership, and powers of the board that  
16 shall oversee the MEP;

17           (iv) if after three years there remain significant numbers of  
18 Vermonters who are not covered by a retirement plan, methods to increase  
19 participation in the MEP; and

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

21           (2) The Committee shall:

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

4           (B) further analyze the relationship between the role of states and the  
5 federal government; and

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

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

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

19           (e) Meetings; term of Committee; Chair. The Committee may meet  
20 as frequently as necessary to perform its work and shall cease to exist on  
21 January 15, 2018. The State Treasurer shall serve as Chair of the Committee

1 and shall call the first meeting.

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

6 \* \* \* Workers' Compensation; VOSHA \* \* \*

7 Sec. D.1. 21 V.S.A. § 210 is amended to read:

8 § 210. PENALTIES

9 (a) Upon issuance of a citation under this chapter, the Review Board is  
10 authorized to assess civil penalties for grounds provided in this subsection. In  
11 assessing civil penalties, the Review Board shall follow to the degree  
12 practicable the federal procedures prescribed in rules ~~promulgated~~ adopted  
13 under the Act. The Review Board shall give due consideration to the  
14 appropriateness of the penalty with respect to the size of the business or  
15 operation of the employer being assessed, the gravity of the violation, the good  
16 faith of the employer, and the history of previous violations. Civil penalties  
17 shall be paid to the Commissioner for deposit with the State Treasurer, and  
18 may be recovered in a civil action in the name of the State of Vermont brought  
19 in any court of competent jurisdiction. The Commissioner shall not reduce the  
20 assessed penalties in any fiscal year by more than 50 percent.

21 (1) Any employer who willfully or repeatedly violates the requirements

1 of this Code or any standard; or rule adopted, or order ~~promulgated~~ issued  
2 pursuant to this Code ~~or regulations prescribed pursuant to this Code~~ may be  
3 assessed a civil penalty of not more than ~~\$70,000.00~~ \$126,749.00 for each  
4 violation, but not less than \$5,000.00 for each willful violation.

5 (2) Any employer who has received a citation for a serious violation of  
6 the requirements of this Code, or any standard; or rule adopted, or order  
7 ~~promulgated~~ issued pursuant to this Code, ~~or of any regulations prescribed~~  
8 ~~pursuant to this Code~~, shall be assessed a civil penalty of up to ~~\$7,000.00~~  
9 \$12,675.00 for each violation.

10 (3) Any employer who has received a citation for a violation of the  
11 requirements of this Code, or any standard; or rule adopted, or order  
12 ~~promulgated~~ issued pursuant to this Code ~~or of regulations prescribed pursuant~~  
13 ~~to this Code, and such violation~~ if the violation is specifically determined not  
14 to be of a serious nature, may be assessed a civil penalty of up to ~~\$7,000.00~~  
15 \$12,675.00 for each such violation.

16 (4) Any employer who fails to correct a violation for which a citation  
17 has been issued within the period permitted for its correction, which period  
18 shall not begin to run until the date of the final order of the Review Board, in  
19 the case of any review proceeding under section 226 of this title initiated by  
20 the employer in good faith and not solely for delay or avoidance of penalties,  
21 may be assessed a civil penalty of not more than ~~\$7,000.00~~ \$12,675.00 for

1 each day during which the failure or violation continues.

2 (5) Any employer who willfully violates any standard, or rule adopted,  
3 or order promulgated issued pursuant to this Code, and that violation caused  
4 death to any employee, shall, upon conviction, be punished by a fine of not  
5 more than ~~\$20,000.00~~ \$126,749.00 or by imprisonment for not more than one  
6 year, or by both.

7 \* \* \*

8 (8) Any employer who violates any of the posting requirements, as  
9 prescribed under the provisions of this Code, shall be assessed a civil penalty  
10 of up to ~~\$7,000.00~~ \$12,675.00 for each violation.

11 (9)(A) As provided under the federal Civil Penalties Inflation  
12 Adjustment Act Improvements Act of 2015 and the Act, the penalties provided  
13 in subdivisions (1), (2), (3), (4), (5), and (8) of this subsection shall annually,  
14 on January 1, be adjusted to reflect the increase in the Consumer Price Index,  
15 CPI-U, U.S. City Average, not seasonally adjusted, as calculated by the U.S.  
16 Department of Labor or successor agency for the 12 months preceding the  
17 previous December 1.

18 (B) The Commissioner shall calculate and publish the adjustment to  
19 the penalties on or before January 1 of each year and the penalties shall apply  
20 to fines imposed on or after that date.

21 \* \* \*

1 Sec. D.2. 21 V.S.A. § 711 is amended to read:

2 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

3 (a) A Workers' Compensation Administration Fund is created pursuant to  
4 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the  
5 administration of the workers' compensation and occupational disease  
6 programs. The Fund shall consist of contributions from employers made at a  
7 rate of ~~4.75~~ 1.4 percent of the direct calendar year premium for workers'  
8 compensation insurance, one percent of self-insured workers' compensation  
9 losses, and one percent of workers' compensation losses of corporations  
10 approved under this chapter. Disbursements from the Fund shall be on  
11 warrants drawn by the Commissioner of Finance and Management in  
12 anticipation of receipts authorized by this section.

13 \* \* \*

14 \* \* \* Workforce Development; Career and Technical Education \* \* \*

15 Sec. E.1. 10 V.S.A. § 540 is amended to read:

16 § 540. ~~WORKFORCE EDUCATION AND TRAINING~~ DEVELOPMENT  
17 LEADER

18 (a) The Commissioner of Labor shall be the leader of workforce ~~education~~  
19 ~~and training~~ development in the State, and shall have the authority and  
20 responsibility for the coordination of workforce education and training within  
21 State government, including the following duties:

1 (1) Perform the following duties in consultation with the State

2 Workforce Development Board:

3 (A) advise the Governor on the establishment of an integrated system  
4 of workforce education and training for Vermont;

5 (B) create and maintain an inventory of all existing workforce  
6 education and training programs and activities in the State;

7 (C) use data to ensure that State workforce education and training  
8 activities are aligned with the needs of the available workforce, the current and  
9 future job opportunities in the State, and the specific credentials needed to  
10 achieve employment in those jobs;

11 (D) develop a State plan, as required by federal law, to ensure that  
12 workforce education and training programs and activities in the State serve  
13 Vermont citizens and businesses to the maximum extent possible;

14 (E) ensure coordination and non-duplication of workforce education  
15 and training activities;

16 (F) identify best practices and gaps in the delivery of workforce  
17 education and training programs;

18 (G) design and implement criteria and performance measures for  
19 workforce education and training activities; and

20 (H) establish goals for the integrated workforce education and  
21 training system.

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

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

7                   (B) amount of funding;

8                   (C) activities and training provided;

                  (D) number of trainees and their general description, *including the  
9 gender of the trainees;*

10                   (E) employment status of trainees; and

11                   (F) future needs for resources.

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

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

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

                  (6) Facilitate effective communication between the business community

1 and public and private educational institutions.

2 (7) Notwithstanding any provision of State law to the contrary, and to  
3 the fullest extent allowed under federal law, ensure that in each State and  
4 State-funded workforce education and training program, the program  
5 administrator collects and reports data and results at the individual level by  
6 Social Security Number or an equivalent.

7 (8) Coordinate within and across State government a comprehensive  
8 workforce development strategy that grows the workforce, recruits new  
9 workers to the State, and meets employers' workforce needs.

10 Sec. E.2. 10 V.S.A. § 543 is amended to read:

11 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT  
12 PROGRAMS

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

16 (b) Purposes. The Department shall use the Fund for the  
17 following purposes:

18 (1) training for Vermont workers, including those who are  
19 unemployed, underemployed, or in transition from one job or career  
20 to another;

21 (2) internships to provide students with work-based learning  
22 opportunities with Vermont employers;

23 (3) apprenticeship, preapprenticeship, and industry-  
24 recognized credential training; and

1           (4) other workforce development initiatives related to  
2 current and future job opportunities in Vermont as determined by  
3 the Commissioner of Labor.

4           (c) Administrative and other support. The Department of Labor  
5 shall provide administrative support for the grant award process.  
6 When appropriate and reasonable the State Workforce Investment  
7 Board and all other public entities involved in economic  
8 development and workforce education and training shall provide  
9 other support in the process.

10          (d) Eligible activities.

11           (1) The Department shall grant awards from the Fund to  
12 employers and entities, including private, public, and nonprofit  
13 entities, institutions of higher education, high schools, middle  
14 schools, technical centers, and workforce education and training programs  
15 that:

16           (A) create jobs, offer education, training, apprenticeship,  
17 preapprenticeship and industry-recognized credentials, mentoring, career  
18 planning, or work-based learning activities, or any combination;

19           (B) employ student-oriented approaches to workforce education and  
20 training; and

21           (C) link workforce education and economic development strategies.

22           (2) The Department may fund programs or projects that demonstrate  
23 actual increased income and economic opportunity for employees and

1 employers for more than one year.

2 (3) The Department may fund student internships and training programs  
3 that involve the same employer in multiple years with approval of the  
4 Commissioner.

5 (e) [Repealed].

6 (f) Awards. The Commissioner of Labor, in consultation with the Chair of  
7 the State Workforce Development Board, shall develop award criteria and may  
8 grant awards to the following:

9 (1) Training Programs.

10 (A) Public, private, and nonprofit entities, including employers and  
11 education and training providers, for existing or new training programs that  
12 enhance the skills of Vermont workers and:

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

17 (ii) do not duplicate, supplant, or replace other available training  
18 funded with public money;

19 (iii) provide a project timeline, including performance goals, and  
20 identify how the effectiveness and outcomes of the program will be measured,  
21 including for the individual participants, the employers, and the program as a

1 whole; and

2 (iv) articulate the need for the training and the direct connection  
3 between the training and the job.

4 (B) The Department shall grant awards under this subdivision (1) to  
5 programs or projects that:

6 (i) offer innovative programs of intensive, student-centric,  
7 competency-based education, training, apprenticeship, preapprenticeship and  
8 industry-recognized credentials, mentoring, or any combination of these;

9 (ii) address the needs of workers who are unemployed,  
10 underemployed, or are at risk of becoming unemployed, and workers who are  
11 in transition from one job or career to another;

12 (iii) address the needs of employers to hire new employees, or  
13 retrain incumbent workers, when the employer has demonstrated a need not  
14 within the normal course of business, with priority to training that results in  
15 new or existing job openings for which the employer intends to hire; or

16 (iv) in the discretion of the Commissioner, otherwise serve the  
17 purposes of this chapter.

18 (2) Vermont Strong Internship Program. Funding for eligible internship  
19 programs and activities under the Vermont Strong Internship Program  
20 established in section 544 of this title.

21 (3) Apprenticeship Program. The Vermont Apprenticeship Program

1 established under 21 V.S.A. chapter 13. Awards under this subdivision may be  
2 used to fund the cost of apprenticeship-related instruction provided by the  
3 Department of Labor.

4 (4) Career Focus and Planning programs. Funding for one or more  
5 programs that institute career training and planning for young Vermonters,  
6 beginning in middle school.

7 \* \* \* Vermont Minimum Wage \* \* \*

8 Sec. F.1. MINIMUM WAGE STUDY

9 (a) Creation. There is created a Minimum Wage Study Committee.

10 (b) Membership. The Committee shall be composed of the following  
11 members:

12 (1) three current members of the House of Representatives, not all from  
13 the same political party, who shall be appointed by the Speaker of the  
14 House; and

15 (2) three current members of the Senate, not all from the same political  
16 party, who shall be appointed by the Committee on Committees.

17 (c) Powers and duties. The Committee shall study the following issues:

18 (1) the minimum wage in Vermont and livable wage in Vermont in  
19 relation to real cost of living;

20 (2) the economic effects of small to large increases in the Vermont  
21 minimum wage, including in relation to the minimum wage in neighboring

1 states;

2 (3) how the potential for improving economic prosperity for Vermonters  
3 with low and middle income through the Vermont Earned Income Tax Credit  
4 might interact with raising the minimum wage;

5 (4) specific means of mitigating the “benefits cliff,” especially for those  
6 earning below the livable wage, to enhance work incentives;

7 (5) the effects of potential reductions in federal transfer payments as the  
8 minimum wage increases, and impacts of possible reductions in federal  
9 benefits due to changes in federal law;

10 (6) ways to offset losses in State and federal benefits through State  
11 benefit programs or State tax policy; and

12 (7) further research to better understand the maximum beneficial  
13 minimum wage level in Vermont.

14 (d) Assistance. The Committee shall have the administrative, technical,  
15 and legal assistance of the Joint Fiscal Office, the Office of Legislative  
16 Council, the Department of Labor, the Department of Taxes, and the Agency  
17 of Human Services.

18 (e) Report. On or before December 1, 2017, the Committee shall submit a  
19 written report with its findings and any recommendations for legislative action  
20 to the Senate Committee on Economic Development, Housing and General  
21 Affairs, and the House Committee on General, Housing and Military Affairs.

1       (f) Meetings.

2           (1) The Joint Fiscal Office shall convene the first meeting of the  
3 Committee on or before July 1, 2017.

4           (2) A majority of the membership shall constitute a quorum.

5           (3) The members of the Committee shall select a chair at its first  
6 meeting.

7           (4) The Committee shall cease to exist on December 1, 2017.

8       (g) Reimbursement. For attendance at meetings during adjournment of the  
9 General Assembly, legislative members of the Committee shall be entitled to  
10 per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.  
11 § 406 for no more than five meetings.

12                                   \* \* \* Financial Technology \* \* \*

13       Sec. G.1. FINANCIAL TECHNOLOGY

14       (a) The General Assembly finds:

15           (1) The field of financial technology is rapidly expanding in scope and  
16 application.

17           (2) These developments present both opportunities and challenges.

18           (3) On the opportunity side, Vermont has been a leader in previous  
19 innovations in finance in contexts such as captive insurance.

20           (4) The existing Vermont legislation on blockchain technology and  
21 other aspects of e-finance have given Vermont the potential for leadership in

1 this new era of innovation as well, with the possibility of expanded economic  
2 activity in the financial technology sector that would provide opportunities for  
3 employment, tax revenues, and other benefits.

4 (5) Furthermore, it is important for Vermonters that these developments  
5 proceed in ways that do not create avoidable risks for individuals and  
6 enterprises in the new e-economy.

7 (6) The legislative and regulatory response in Vermont will be critical to  
8 our ability to embrace the benefits of financial technology and to avoid  
9 challenges it may create.

10 (b)(1) In order to permit the legislature to respond to these developing  
11 opportunities and concerns on an informed basis, on or before November 30,  
12 2017 the Center for Legal Innovation at Vermont Law School, in consultation  
13 with the Commissioner of Financial Regulation, the Secretary of Commerce  
14 and Community Development, and the Attorney General, shall submit a report  
15 to the General Assembly that includes:

16 (A) findings and recommendations on the potential opportunities and  
17 risks presented by developments in financial technology;

18 (B) suggestions for an overall policy direction and proposals for  
19 legislative and regulatory action that would effectively implement that policy  
20 direction; and

21 (C) measurable goals and outcomes that would indicate success in

1 the implementation of such a policy.

2 (2) In developing the background for this report, the Center,  
3 Commissioner, Secretary, and Attorney General may consult such other  
4 constituencies and stakeholders within and outside of the State as they may  
5 determine for information that will be helpful to their considerations.

6 ~~\*\*\* Business Investment and Support, Economic Development Marketing~~

7 Appropriations \* \* \*

8 Sec. H.1. APPROPRIATION; SMALL BUSINESS DEVELOPMENT

9 CENTER

10 In fiscal year 2018, the amount of \$350,000.00 is appropriated from the  
11 General Fund to the Vermont Small Business Development Center as follows:

12 (1) the amount of \$250,000.00 for the purpose of increasing the number  
13 of business advisors throughout the State; and

14 (2) the amount of \$100,000.00 for the purpose of fully funding the  
15 SBDC technology commercialization advisor position.

16 Sec. H.2. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS;

17 APPROPRIATION

18 (a) Findings. The General Assembly finds:

19 (1) Since 1989, the Microbusiness Development Program has provided  
20 free business technical assistance, including training and counseling, as well as  
21 access to capital to Vermonters with low income.

1 ~~(2) The Vermont Community Action Agencies work in conjunction with~~  
2 ~~many partners, including other service providers, State agencies, business~~  
3 ~~technical assistance providers, and both traditional and alternative lenders.~~

4 ~~(3) Each year the Program:~~

5 ~~(A) enables the creation or expansion of an average of 145~~  
6 ~~businesses across Vermont;~~

7 ~~(B) supports the creation of 84 new jobs; and~~

8 ~~(C) provides access to more than \$1.1 million in capital.~~

9 ~~(4) The average cost per job created through the Program is less than~~  
10 ~~\$3,600.00.~~

11 ~~(b) Intent. Current base funding for the Program is \$300,000.00, and it is~~  
12 ~~the intent of the General Assembly to provide total funding for the Program in~~  
13 ~~fiscal year 2018 of \$450,000.00.~~

14 ~~(c) Appropriation. In fiscal year 2018, in addition to any other amounts~~  
15 ~~appropriated, the amount of \$150,000.00 is appropriated from the General~~  
16 ~~Fund to the Office of Economic Opportunity for pass through grants to the~~  
17 ~~Community Action Agencies to restore and increase funding for the regional~~  
18 ~~Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.~~

19 Sec. H.3. ECONOMIC DEVELOPMENT MARKETING

20 ~~(a) In fiscal year 2018 the amount of \$250,000.00 is appropriated from the~~  
21 ~~General Fund to the Agency of Commerce and Community Development to.~~

1 ~~(1) implement the Department of Economic Development's economic~~  
2 ~~development marketing plan to attract and retain residents and businesses to~~  
3 ~~Vermont, highlighting the many positive features that make Vermont a great~~  
4 ~~place to live, work, and do business; and~~

5 ~~(2) prioritize marketing tactics with the potential to shift most~~  
6 ~~efficiently and effectively perceptions about Vermont as a place to live and~~  
7 ~~work, and that will form a set of marketing assets and strategic~~  
8 ~~framework to sustain Department of Economic Development activities beyond~~  
9 ~~initial implementation.~~

10 ~~(b) The funds appropriated in this section may be matched with federal~~  
11 ~~funds, special funds, grants, donations, and private funds. To increase the~~  
12 ~~amount and effectiveness of marketing activities conducted, the Agency shall~~  
13 ~~collaborate with private sector partners to maximize State marketing resources~~  
14 ~~and to enable Vermont businesses to align their own brand identities with the~~  
15 ~~Vermont brand, enhancing the reputations of both the business and the State.~~

16 ~~(c) The Secretary of Commerce and Community Development shall~~  
17 ~~establish performance measures that support strategic priorities, including~~  
18 ~~strengthening the State economy, before disbursing these funds.~~

19 ~~Sec. 11.1-11.3: [Reserved.]~~

20 ~~\*\*\* Repeal of Sunset on Sales and Use Tax Exemption;~~

21 ~~Airplanes and Airplane Parts \*\*\*~~

21 ~~Sec. 1.1. REPEALS~~

1 ~~The following are repealed:~~

2 ~~(1) 2007 Acts and Resolve No. 81, Secs. 7a (amendment to sales tax~~  
3 ~~exemption for aircraft parts) and 7b (effective date).~~

4 ~~(2) 2008 Acts and Resolve No. 100, Sec. 43 (effective date).~~

5 ~~\*\*\* Effective Date \*\*\*~~

6 Sec. J.1. EFFECTIVE DATE

7 ~~This act shall take effect on July 1, 2017.~~

*\*\*\* Municipal Outreach; Sewerage and Water Service Connections \*\*\**

*Sec. H.1. AGENCY OF NATURAL RESOURCES; EDUCATION AND  
OUTREACH; DELEGATION; SEWERAGE AND WATER  
SERVICE CONNECTIONS*

*(a) The Secretary of Natural Resources, after consultation with the Vermont League of Cities and Towns, shall conduct outreach and education for municipalities regarding the ability of a municipality under 10 V.S.A. § 1976 to be delegated the authority to permit the connection of a municipal sewer or water service line to subdivided land, a building, or a campground.*

*(b) The education and outreach shall specify the conditions or requirements for delegation, how a municipality can seek delegation, and contact information or other resource to provide additional information regarding delegation. The education and outreach may include educational materials, workshops, or classes regarding the ability of a municipality to be delegated under 10 V.S.A. § 1976 the permitting of sewer and water service connection.*

*(c) On or before January 15, 2018, the Secretary of Natural Resources shall submit a report to the Senate Committees on Natural Resources and Energy and on Economic Development, Housing and General Affairs and the House Committees on Natural Resources, Fish and Wildlife and on Commerce and Economic Development summarizing the education and outreach conducted or planned by the Secretary under the requirements of this section and whether any municipality has sought delegation of sewer and water service connection permitting under 10 V.S.A. § 1976 since the effective date of this act.*

*\*\*\* Municipal Land Use and Development; Affordable Housing \*\*\**

*Sec. H.2. 24 V.S.A. § 4303 is amended to read:*

*§ 4303. DEFINITIONS*

*The following definitions shall apply throughout this chapter unless the context otherwise requires:*

*(1) "Affordable housing" means either of the following:*

*(A) ~~Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household's gross annual income.~~*

*Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:*

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

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

*(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.*

*(B) ~~Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household's gross annual income. Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:~~*

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

*(ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of*

Housing and Urban Development; or

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

\* \* \*

\* \* \* Act 250; Priority Housing Projects \* \* \*

Sec. H.3. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

In this chapter:

\* \* \*

(3)(A) “Development” means each of the following:

\* \* \*

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land, and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) ~~275 or more, in a municipality with a population of 15,000 or more; [Repealed.]~~

(bb) ~~150 or more, in a municipality with a population of 10,000 or more but less than 15,000; [Repealed.]~~

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000;

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

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

(ff) ~~notwithstanding~~ Notwithstanding subdivisions (aa)(cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision if the Division for Historic Preservation has determined that the proposed

*demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.*

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

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

*\* \* \**

*(D) The word “development” does not include:*

*\* \* \**

*(viii) The construction of a priority housing project in a municipality with a population of 10,000 or more. However, if the construction of the project involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.*

*\* \* \**

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

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

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

*(ii) at least 20 percent of the housing units have a purchase price which at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency;*

*(B) Rental Housing housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of ~~no~~ not less than 20 15 years.*

*(28) “Mixed use” means construction of both mixed income housing*

*and construction of space for any combination of retail, office, services, artisan, and recreational and community facilities, provided at least 40 percent of the gross floor area of the buildings involved is mixed income housing. "Mixed use" does not include industrial use.*

*(29) "Affordable housing" means either of the following:*

*(A) ~~Housing that is owned by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees is not more than 30 percent of the household's gross annual income. Owner-occupied housing for which the total annual cost of ownership, including principal, interest, taxes, insurance, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 120 percent of the highest of the following:~~*

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

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

*(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.*

*(B) ~~Housing that is rented by its inhabitants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the household's gross annual income. Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:~~*

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

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

(iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

\* \* \*

(35) "Priority housing project" means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:

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

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

\* \* \*

Sec. H.4. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

(a) No person shall sell or offer for sale any interest in any subdivision located in this State, or commence construction on a subdivision or development, or commence development without a permit. This section shall not prohibit the sale, mortgage, or transfer of all, or an undivided interest in all, of a subdivision unless the sale, mortgage, or transfer is accomplished to circumvent the purposes of this chapter.

\* \* \*

(o) If a ~~downtown development district~~ designation pursuant to 24 V.S.A. § 2793 ~~chapter 76A~~ is removed, subsection (a) of this section shall apply to any subsequent substantial change to a priority housing project that was originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title on the basis of that designation.

(p)(1) No permit or permit amendment is required for any change to a project that is located entirely within a downtown development district designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after the effective date of this subsection, remain below ~~the~~ any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.

(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if

the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.

\* \* \*

Sec. H.5. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS, COMMENCEMENT OF REVIEW

\* \* \*

(f) This subsection concerns an application for a permit amendment to change the conditions of an existing permit or permit amendment in order to authorize the construction of a priority housing project described in subdivision 6081(p)(2) of this title.

(1) The District Commission may authorize a district coordinator to issue such an amendment, without notice and a hearing, if the applicant demonstrates that all parties to the permit or permit amendment or their successors in interest have consented to the proposed changes to conditions relative to the criteria for which the party retained party status.

(2) If the applicant is not able to obtain the consent of a party or parties or their successors in interest with respect to one or more of the conditions proposed to be changed, the applicant shall file a permit application pursuant to this section. However, review by the District Commission shall be limited to whether the changes to conditions not consented to by the party or parties or their successors in interest enable positive findings under subsection 6086(a) and are authorized under subsection 6086(c) of this title.

Sec. H.6. 30 V.S.A. § 55 is added to read:

§ 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

A priority housing project as defined in 10 V.S.A. § 6001 shall meet or exceed the stretch codes established under this subchapter by the Department of Public Service.

\* \* \* ACCD; Publication of Median Household Income and Qualifying Costs  
for Affordable Housing \* \* \*

Sec. H.7. 3 V.S.A. § 2472 is amended to read:

§ 2472. DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT

(a) *The Department of Housing and Community Development is created within the Agency of Commerce and Community Development. The Department shall:*

\* \* \*

(5) In conjunction with the Vermont Housing Finance Agency, annually publish data and information to enable the public to determine income levels and costs for owner-occupied and rental housing to qualify as affordable housing, as defined in 24 V.S.A. § 4303 and 10 V.S.A. § 6001(29), including:

(A) the median income for each Vermont county, as defined by the U.S. Department of Housing and Urban Development;

(B) the standard metropolitan statistical area median income for each municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; and

(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

\* \* \*

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

Sec. H.8. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

*Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:*

*(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed \$2,200,000.00 \$2,400,000.00;*

\* \* \*

\* \* \* Tax Credit for Affordable Housing; Captive Insurance Companies \* \* \*

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

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

(a) *As used in this section:*

\* \* \*

(5) *“Credit certificate” means a certificate issued by the allocating agency to a taxpayer that specifies the amount of affordable housing tax*

*credits that can be applied against the taxpayer's individual or corporate income tax, or franchise, captive insurance premium, or insurance premium tax liability as provided in this subchapter.*

\* \* \*

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

\* \* \*

\* \* \* Vermont State Housing Authority; Powers \* \* \*

*Sec. H.10. 24 V.S.A. § 4005 is amended to read:*

*§ 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT,  
MEMBERS, POWERS*

\* \* \*

*(e) Notwithstanding any provision of law, no person, ~~domestic or foreign,~~ shall be authorized to administer allocations of money under 42 U.S.C.A. § 1437a or 1437f or other federal statute authorizing rental subsidies for the benefit of persons of low or moderate income, except:*

*(1) ~~a subcontractor of the State Authority; or~~*

*(2) a State public body authorized by law to administer such allocations;*

*(3) a person authorized to administer such allocations pursuant to an agreement with the State Authority; or*

*(4) an organization, of which the State Authority is a promoter, member, associate, owner, or manager, that is authorized by a federal agency to administer such allocations in this State.*

*(f) In addition to the powers granted by this chapter, the State Authority shall have all the powers necessary or convenient for the administration of federal monies pursuant to subsection (e) of this section, including the power:*

*(1) to enter into one or more agreements for the administration of federal monies;*

*(2) to be a promoter, partner, member, associate, owner, or manager of any partnership, limited liability company, joint venture, association, trust, or other organization;*

(3) to conduct its activities, locate offices, and exercise the powers granted by this title within or outside this State;

(4) to carry on a business in the furtherance of its purposes; and

(5) to do all things necessary or convenient, consistent with law, to further the activities and affairs of the Authority.

*\* \* \* Repeal of Sunset on Sales and Use Tax Exemption;  
Airplanes and Airplane Parts \* \* \**

*Sec. I.1. REPEALS*

The following are repealed:

(1) 2007 Acts and Resolve No. 81, Secs. 7a (amendment to sales tax exemption for aircraft parts) and 7b (effective date).

(2) 2008 Acts and Resolve No. 190, Sec. 43 (effective date).

*Sec. J.1. 24 V.S.A. chapter 53, subchapter 5 is amended to read:*

*Subchapter 5. Tax Increment Financing*

*\* \* \**

*§ 1892. CREATION OF DISTRICT*

*\* \* \**

*(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district, ~~and the Vermont Economic Progress Council is not authorized to approve any additional tax increment financing districts even if one of the districts named in this subsection is terminated pursuant to subsection 1894(a) of this subchapter:~~*

- (1) the City of Burlington, Downtown;*
- (2) the City of Burlington, Waterfront;*
- (3) the Town of Milton, North and South;*
- (4) the City of Newport;*
- (5) the City of Winooski;*
- (6) the Town of Colchester;*
- (7) the Town of Hartford;*
- (8) the City of St. Albans;*
- (9) the City of Barre; ~~and~~*
- (10) the Town of Milton, Town Core; and*

(11) the City of South Burlington, New Town Center.

\* \* \*

§ 1894. POWER AND LIFE OF DISTRICT

\* \* \*

(c) Use of the municipal property tax increment. For only debt incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, not less than an equal share plus five percent of the municipal tax increment pursuant to subsection (f) of this section shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subsection (b) of this section.

\* \* \*

(f) Equal share required. If any tax increment utilization is approved pursuant to 32 V.S.A. § 5404a(h), no more than 75 percent of the State property tax increment and no less than an equal percent, plus five percent, of the municipal tax increment may be approved by the Council or used by the municipality to service this debt.

\* \* \*

Sec. J.2. 32 V.S.A. § 5404a is amended to read:

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

\* \* \*

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply up to 75 percent of the State education property tax increment, and not less than an equal share plus five percent of the municipal tax increment, as defined in 24 V.S.A. § 1896, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than two districts in a single county, and not more than an additional 14 districts in the State, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval but, if approved, would exceed the 14-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the 14-district limit.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (3)(A) of this subsection, the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

(4) The Council shall not approve any additional districts on or after July 1, 2024.

\* \* \*

(h) Criteria for approval. To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:

(1) Review each application to determine that the ~~new real property~~ proposed infrastructure improvements and the proposed development would not have occurred or would have occurred in a significantly different and less desirable manner but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(A) the amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(B) how the proposed development components and size would differ, if at all, without education property tax increment financing, including, if applicable to the development, the number of units of affordable housing, as defined in 24 V.S.A. § 4303; and

*(C) the amount of additional revenue expected to be generated as a result of the proposed development; the percentage of that revenue that shall be paid to the education fund; the percentage that shall be paid to the municipality; and the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.*

*(2) Process requirements. Determine that each application meets all of the following four requirements:*

*(A) The municipality held public hearings and established a tax increment financing district in accordance with 24 V.S.A. §§ 1891-1900.*

*(B) The municipality has developed a tax increment financing district plan, including: a project description; a development financing plan; a pro forma projection of expected costs; a projection of revenues; a statement and demonstration that the project would not proceed without the allocation of a tax increment; evidence that the municipality is actively seeking or has obtained other sources of funding and investment; and a development schedule that includes a list, a cost estimate, and a schedule for public improvements and projected private development to occur as a result of the improvements.*

*(C) The municipality has approved or pledged the utilization of incremental municipal tax revenues for purposes of the district in the same proportion as the utilization of education property tax revenues approved by the Vermont Economic Progress Council for the tax increment financing district.*

*(D) The proposed infrastructure improvements and the projected development or redevelopment are compatible with approved municipal and regional development plans, and the project has clear local and regional significance for employment, housing, and transportation improvements.*

*(3) Location criteria. Determine that each application meets one of the following criteria:*

*(A) The development or redevelopment is compact, high density, and located in or near existing industrial areas.*

*(B) The proposed district is within an approved growth center, designated downtown, designated village center, ~~or~~ new town center, or neighborhood development area.*

*(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the ~~area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values~~ municipality in which the area is located has*

at least one of the following:

(i) a median family income that is 80 percent or less of the statewide median family income as reported by the Vermont Department of Taxes for the most recent year for which data is available;

(ii) an annual average unemployment rate that is at least one percent greater than the latest annual average statewide unemployment rate as reported by the Vermont Department of Labor; or

(iii) a median sales price for residential properties under six acres that is 80 percent or less than the statewide median sales price for residential properties under six acres as reported by the Vermont Department of Taxes.

~~(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least ~~three~~ two of the following ~~five~~ four criteria:~~

~~(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.~~

~~(B) The development includes new or rehabilitated affordable housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. "Affordable" has the same meaning as in 10 V.S.A. § 6001(29), as defined in 24 V.S.A. § 4303.~~

~~(C)(B) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, "brownfield" means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.~~

~~(D)(C) The development will include at least one entirely new business or business operation or expansion of an existing business within the district, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the department of labor.~~

~~(E)(D) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.~~

\* \* \*

### Sec. J.3. IMPLEMENTATION

Secs. J.1 and J.2 of this act shall apply only to tax increment financing

district applications filed, and districts approved, on or after the date of passage of this act.

*Sec. K.1. EFFECTIVE DATES*

(a) This section and Secs. J.1–J.3 (tax increment financing districts) shall take effect on passage.

(b) The remaining sections of this act shall take effect on July 1, 2017.