

Senate Calendar

FRIDAY, MARCH 24, 2017

SENATE CONVENES AT: 11:30 A.M.

TABLE OF CONTENTS

Page No.

ACTION CALENDAR

UNFINISHED BUSINESS OF MARCH 22, 2017

Second Reading

Favorable with Recommendation of Amendment

- S. 32** An act relating to climate change considerations in State procurement
Government Operations Report - Sen. Ayer 423
Amendment - Sen. Ayer 423

NEW BUSINESS

Third Reading

- S. 52** An act relating to the Public Service Board and its proceedings..... 423
S. 134 An act relating to court diversion and pretrial services..... 423

Second Reading

Favorable with Recommendation of Amendment

- S. 95** An act relating to sexual assault nurse examiners
Health and Welfare Report - Sen. Ingram 424
Appropriations Report - Sen. Westman 428

NOTICE CALENDAR

Second Reading

Favorable with Recommendation of Amendment

- S. 34** An act relating to cross-promoting development incentives and State
policy goals
Agriculture Report - Sen. Pollina 429
Finance Report - Sen. Lyons 439
S. 100 An act relating to promoting affordable and sustainable housing.....441
By the Committee on Economic Development, Housing and General
Affairs (Sen. Balint for the Committee)
Finance Report - Sen. Sirotkin 441

CONCURRENT RESOLUTIONS FOR ACTION

S.C.R. 10 (For text of Resolution, see Addendum to Senate Calendar for
March 23, 2017)..... 457

H.C.R. 76-88 (For text of Resolutions, see Addendum to House Calendar
March 23, 2017)..... 457

ORDERS OF THE DAY

ACTION CALENDAR

UNFINISHED BUSINESS OF WEDNESDAY, MARCH 22, 2017

Second Reading

Favorable with Recommendation of Amendment

S. 32.

An act relating to climate change considerations in State procurement.

Reported favorably with recommendation of amendment by Senator Ayer for the Committee on Government Operations.

The Committee recommends that the bill be amended in Sec. 1, 3 V.S.A. § 347(b), by striking out “, including whether to give preference to resident bidders of the State or products raised or manufactured in the State”

(Committee vote: 4-1-0)

Amendment to the recommendation of amendment of the Committee on Government Operations to S. 32 to be offered by Senator Ayer

Senator Ayer moves to strike out the recommendation of amendment of the Committee on Government Operations in its entirety and insert in lieu thereof the following:

First: In Sec. 1, 3 V.S.A. § 347, subsection (b), by striking out “, including whether to give preference to resident bidders of the State or products raised or manufactured in the State”

Second: In Sec. 1, 3 V.S.A. § 347, by adding a new subsection to be lettered subsection (c) to read as follows:

(c) The policy direction described in subsection (a) of this section shall not apply to State contracts for construction projects.

NEW BUSINESS

Third Reading

S. 52.

An act relating to the Public Service Board and its proceedings.

S. 134.

An act relating to court diversion and pretrial services.

Second Reading

Favorable with Recommendation of Amendment

S. 95.

An act relating to sexual assault nurse examiners.

Reported favorably with recommendation of amendment by Senator Ingram for the Committee on Health and Welfare.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. chapter 167, subchapter 5 is amended to read:

Subchapter 5. Sexual Assault Nurse Examiners

§ 5431. DEFINITION; CERTIFICATION

(a) As used in this subchapter, “SANE” means a sexual assault nurse examiner.

(b) A person licensed under 26 V.S.A. chapter 28 (nursing) may obtain a specialized certification as a sexual assault nurse examiner if he or she demonstrates compliance with the requirements for specialized certification as established by the SANE Board.

§ 5432. SANE BOARD

(a) The SANE Board is created for the purpose of ~~regulating sexual assault nurse examiners~~ advising the Sexual Assault Nurse Examiners Program.

(b) The SANE Board shall be composed of the following members:

(1) the Executive Director of the Vermont State Nurses Association or designee;

(2) the President of the Vermont Association of Hospitals and Health Systems;

(3) the Director of the Vermont Forensic Laboratory or designee;

(4) the Director of the Vermont Network Against Domestic and Sexual Violence or designee;

(5) an attorney with experience prosecuting sexual assault crimes, appointed by the Attorney General;

(6) the Executive Director of the Vermont Center for Crime Victim Services or designee;

(7) a law enforcement officer assigned to one of Vermont’s special units of investigation, appointed by the Commissioner of Public Safety;

(8) a law enforcement officer employed by a municipal police department, appointed by the Executive Director of the Vermont Criminal Justice Training Council;

(9) three sexual assault nurse examiners, appointed by the Attorney General;

(10) a ~~physieian~~ health care provider as defined in 18 V.S.A. § 9402 whose practice includes the care of victims of sexual assault, appointed by the ~~Vermont Medical Society~~ Commissioner on Health;

(11) a pediatrician whose practice includes the care of victims of sexual assault, appointed by the Vermont Chapter of the American Academy of Pediatrics;

(12) the Coordinator of the Vermont Victim Assistance Program or designee;

(13) the President of the Vermont Alliance of Child Advocacy Centers or designee;

(14) the Chair of the Vermont State Board of Nursing or designee; ~~and~~

(15) the Commissioner for Children and Families or designee; ~~and~~

(16) the Commissioner of Health or designee.

(c) The SANE Board shall advise the SANE Program on the following:

(1) statewide program priorities;

(2) training and educational requirements;

(3) a standardized sexual assault protocol and kit to be used by all physicians and hospitals in this State when providing forensic examinations of victims of alleged sexual offenses; and

(4) statewide policy development related to sexual assault nurse examiner programs.

§ 5433. SANE PROGRAM CLINICAL COORDINATOR

~~A grant program shall be established by the~~ A clinical coordinator position shall be funded by either the Vermont Center for Crime Victim Services, subject to available funding, to fund a clinical coordinator position or through other identified State funding options for the purpose of staffing the SANE ~~program~~ Program. The position shall be contracted through the Vermont Network Against Domestic and Sexual Violence. The Clinical Coordinator shall consult with the SANE Board in performing the following duties:

(1) overseeing the recruitment and retention of SANEs in the State of Vermont;

- (2) administering a statewide ~~training~~ educational program, including:
 - (A) the initial SANE certification training;
 - (B) ongoing training to ensure currency of practice for SANEs; and
 - (C) advanced training programs as needed;
- (3) providing consultation ~~and~~, technical assistance, and training to SANEs and acute care hospitals regarding the ~~standardized sexual assault protocol~~ standards of care for sexual assault patients; and
- (4) providing training and outreach to criminal justice and community-based agencies as needed; and
- (5) coordinating and managing a system for ensuring best practices, including as they apply to certification of sexual assault nurse examiners.

§ 5434. SANE BOARD DUTIES

~~(a) A person licensed under 26 V.S.A. chapter 28 (nursing) may obtain a specialized certification as a sexual assault nurse examiner if he or she demonstrates compliance with the requirements for specialized certification as established by the SANE Board by rule.~~

~~(b) The SANE Board shall adopt the following by rule:~~

~~(1) educational requirements for obtaining specialized certification as a sexual assault nurse examiner and statewide standards for the provision of education;~~

~~(2) continuing education requirements and clinical experience necessary for maintenance of the SANE specialized certification;~~

~~(3) a standardized sexual assault protocol and kit to be used by all physicians and hospitals in this State when providing forensic examinations of victims of alleged sexual offenses;~~

~~(4) a system of monitoring for compliance; and~~

~~(5) processes for investigating complaints, revoking certification, and appealing decisions of the Board.~~

~~(c) The SANE Board may investigate complaints against a sexual assault nurse examiner and may revoke certification as appropriate. [Repealed.]~~

§ 5435. ACCESS TO A SEXUAL ASSAULT NURSE EXAMINER

(a) On or before September 1, 2017, the Vermont Association of Hospitals and Health Systems (VAHHS) and the Vermont SANE Program shall enter into a memorandum of understanding (MOU) to ensure improved access to Sexual Assault Nurse Examiners (SANE) for victims of sexual assault in

underserved regions. Improved access may include all acute care hospitals to provide patients with care from a paid employee who is also a certified sexual assault nurse examiner or access to a shared regional staffing pool that includes certified sexual assault nurse examiners.

(b) The Vermont SANE Program shall develop and offer an annual training regarding standards of care and forensic evidence collection to emergency department appropriate health care providers at acute care hospitals in Vermont. Personnel who are certified sexual assault nurse examiners shall not be subject to this subsection.

(c) On or before January 1, 2018, The SANE Program shall report to the General Assembly on training participation rates pursuant to subsection (b) of this section.

Sec. 3. SEXUAL ASSAULT EVIDENCE KITS; STUDY COMMITTEE

(a) Creation. There is created the Sexual Assault Evidence Kit Study Committee for the purpose of conducting a comprehensive examination of issues related to sexual assault evidence kits.

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

(1) the Director of the Vermont Forensic Laboratory or designee;

(2) the Executive Director of the Vermont Center for Crime Victims Services or designee;

(3) the Commissioner of Health or designee;

(4) a representative of the Vermont Sexual Assault Nurse Examiners (SANE) program;

(5) a representative of the county special investigative units appointed by the Executive Director of the State's Attorneys and Sheriffs; and

(6) a law enforcement professional appointed by the Commissioner of Public Safety.

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

(1) the current practices for kit tracking;

(2) the effectiveness and cost of a system allowing for the online completion of sexual assault evidence kit documentation, with electronic notification after reports are submitted;

(3) the feasibility and cost of a web-based tracking system to allow agencies involved in the response and prosecution of sexual assault to track sexual assault evidence kits, pediatric sexual assault evidence kits, and

toxicology kits using a bar code number uniquely assigned to each kit;

(4) the effectiveness and challenges of the current system of police transport of evidence kits from hospitals to the Vermont Forensic Laboratory; and

(5) the feasibility and cost of alternative methods of transport of sexual assault evidence kits such as mail, delivery service, or courier.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Vermont Department of Health.

(e) Report. On or before November 1, 2017, the Committee shall submit a written report to the House and Senate Committees on Judiciary, the House Committee on Health Care, and the Senate Committee on Health and Welfare.

(f) Meetings.

(1) The Commissioner of Health shall call the first meeting of the Committee to occur on or before August 1, 2017.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Committee shall cease to exist on January 15, 2018.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

(Committee vote: 5-0-0)

Reported favorably by Senator Westman for the Committee on Appropriations.

The Committee recommends that the bill be amended as recommended by the Committee on Health and Welfare and when so amended ought to pass.

(Committee vote: 6-0-1)

NOTICE CALENDAR

Second Reading

Favorable with Recommendation of Amendment

S. 34.

An act relating to cross-promoting development incentives and State policy goals.

Reported favorably with recommendation of amendment by Senator Pollina for the Committee on Agriculture.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Rural Economic Development Team * * *

Sec. 1. 10 V.S.A. chapter 15, subchapter 4 is added to read:

Subchapter 4. Rural Economic Development Team

§ 325m. RURAL ECONOMIC DEVELOPMENT TEAM

(a) Definitions. As used in this subchapter:

(1) “Industrial park” means an area of land permitted as an industrial park under 10 V.S.A. chapter 151, under 24 V.S.A. chapter 117, or under both.

(2) “Rural area” means a county of the State designated as “rural” or “mostly rural” by the U.S. Census Bureau in its most recent decennial census.

(3) “Small town” means a town in the State with a population of less than 5,000 at the date of the most recent U.S. Census Bureau decennial census.

(b) Establishment. There is created within the Vermont Housing and Conservation Board a Rural Economic Development Team to promote and facilitate community economic development in the small towns and rural areas of the State. The Rural Economic Development Team shall collaborate with municipalities, businesses, industrial parks, regional development corporations, and other appropriate entities to access funding and other assistance available to small towns and rural areas of the State for development or recruitment of businesses and workforce development when existing State resources or staffing assistance is not available.

(c) Services; access to funding.

(1) The Rural Economic Development Team shall provide the following services to small towns, rural areas, and businesses in small towns and rural areas:

(A) identification of grant or other funding opportunities available to

small towns, rural areas, and industrial parks and businesses in small towns and rural areas that facilitate business development, siting of businesses, workforce development, broadband deployment, wastewater infrastructure, or other economic development opportunities;

(B) technical assistance to small towns, rural areas, and industrial parks and businesses in small towns and rural areas in writing grants, accessing and completing the application process for identified grants or other funding opportunities, including writing applications for grants or other funding, coordination with providers of grants or other funding, strategic planning for the implementation or timing of activities funded by grants or other funding, and compliance with the requirements of grant awards or awards of other funding.

(2) In providing services under this subsection, the Rural Economic Development Team shall give first priority to projects that have received necessary State or municipal approval and that are ready for construction or implementation.

(d) Services; business development. The Rural Economic Development Team shall provide small towns and rural areas with services to facilitate the business development in these areas. These services shall include:

(1) Identifying businesses or business types suitable for a small town, rural area, or an industrial park in a small town or rural area. In identifying businesses or business types, the Rural Economic Development Team shall seek to identify businesses or business types in the following priority areas:

(A) milk plants, milk handlers, or dairy products, as those terms are defined in 6 V.S.A. § 2672;

(B) the outdoor equipment or recreation industry;

(C) the value-added forest products industry;

(D) the value-added food industry;

(E) phosphorus removal technology; and

(F) composting facilities.

(2) Recommending available grants, tax credits, or other incentives that a small town or rural area can use to attract businesses.

(3) Coordinating with small towns or rural areas on ways to establish or attract coworker spaces or generator spaces that facilitate the incubation and development of businesses. The Rural Economic Development Team shall explore with a small town or rural area whether underused or closed school buildings are appropriate sites for coworker or generator spaces.

(e) Report. Beginning on January 15, 2018, and annually thereafter, the Rural Economic Development Team shall submit to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs and the House Committees on Agriculture and Forestry and on Commerce and Economic Development a report regarding the activities and progress of the Team. The report shall include:

(1) a summary of the Team's activities in the preceding calendar year;

(2) an evaluation of the effectiveness of the services provided by the Team to small towns, rural areas, and industrial parks;

(3) a summary of the Team's progress in attracting priority businesses to small towns and rural areas;

(4) an accounting of the grants or other funding that the Team facilitated or provided assistance with;

(5) an accounting of the funds acquired by the Rural Economic Development Team for administration of grants or other funding mechanisms and whether these funds are sufficient to offset the cost of the Rural Economic Development Team; and

(6) recommended changes to the program, including proposed legislative amendments to further economic development in small towns and rural areas in the State.

Sec. 2. APPROPRIATIONS; RURAL ECONOMIC DEVELOPMENT TEAM

Of the funds appropriated to the Vermont Housing and Conservation Board in fiscal year 2018 from the Vermont Housing and Conservation Trust Fund, \$200,000.00 shall be used to implement and administer the Rural Economic Development Team established under 10 V.S.A. § 325m.

* * * Vermont Milk Commission * * *

Sec. 3. VERMONT MILK COMMISSION; EQUITABLE DAIRY PRICING

(a) The General Assembly finds that:

(1) The price that farmers from northeastern states, including Vermont, receive for milk is not set by supply and demand in the free market, but instead is set by the terms of a federal marketing order known as the Northeast Marketing Area Federal Order 1 (Milk Marketing Order).

(2) The Milk Marketing Order does not reflect the actual cost to farmers of milk production.

(3) The Milk Marketing Order is dependent on commodity prices and

other market influences that lead to significant fluctuations in the price provided to farmers.

(4) Because of the Milk Market Order, farmers lose money on milk production, and because of the volatility of the market, farmers cannot predictably plan for investment to decrease production costs.

(5) The Vermont Milk Commission was established, in part, to ensure the continuing economic vitality of the dairy industry by stabilizing the price received by farmers for milk at a level allowing them an equitable rate of return.

(6) The Secretary of Agriculture, Food and Markets should reconvene the Vermont Milk Commission to work with interested parties, including other states, to recommend to the U.S. Congress through the Vermont congressional delegation a replacement to the Milk Marketing Order that ensures farmers are provided with an equitable price for milk.

(b) As soon as practical and no later than September 1, 2017, the Secretary of Agriculture, Food and Markets shall convene the Vermont Milk Commission under 6 V.S.A. chapter 162 to propose changes to the federal Northeast Marketing Area Federal Order 1 that provide farmers in Vermont with an equitable price for milk that reflects better the actual cost of dairy production. The Vermont Milk Commission shall:

(1) Analyze the current status of the milk market to identify areas or issues that could be addressed in an amendment to the Milk Marketing Order.

(2) Collaborate with interested parties, including other Northeastern states, to develop a proposed amendment to or replacement of the current Milk Marketing Order for the northeast. The proposed amendment or replacement shall be designed to:

(A) provide farmers with an equitable price for milk that is based on the costs of production; and

(B) eliminate or reduce provisions in the Milk Marketing Order that facilitate price volatility in the milk market.

(3) Submit a proposed amendment to or replacement of the Milk Marketing Order to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry on or before January 15, 2018.

(4) After review by the General Assembly, submit to the congressional delegation of Vermont the proposed amendment to or replacement of the Milk Marketing Order so that the U.S. Congress may amend the Milk Marketing Order.

(c) Except for the two legislative members of the Commission, the per

diem compensation and reimbursement to which a member of the Commission is entitled shall be paid from the budget of the Agency of Agriculture, Food and Markets.

* * * Development Cabinet * * *

Sec. 4. 3 V.S.A. § 2293(b) is amended to read:

(b) Development Cabinet.

(1)(A) ~~A~~ The Development Cabinet is created, to consist of the Secretaries of the Agencies of Administration, of Agriculture, Food and Markets, of Commerce and Community Development, of Education, of Natural Resources, and of Transportation.

(B) ~~The Governor or the Governor's~~ designee shall chair the Development Cabinet.

(2) ~~The Development Cabinet shall advise the Governor on how best to implement the purposes of this section, and shall recommend changes as appropriate to improve implementation of those purposes.~~

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

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

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

(4) The Development Cabinet shall:

(A) Review State loan, grant, and other incentive programs to explore whether and how the expenditure of State funds can cross-promote relevant State policies, including the adoption of renewable energy, rural economic development, public access to conserved lands, and water quality improvements.

(B) Recommend to the Governor and the General Assembly areas for improvement, program changes, conditions on incentives, and other strategies to ensure cross-promotion of relevant State policies. The Cabinet's recommendations shall prioritize economic development opportunities in rural areas, small towns, and industrial parks in small towns and rural areas. As used in this subdivision, "rural area," "small town," and "industrial park" shall

have the same meaning as set forth in 10 V.S.A. § 325m.

(C) On or before December 15, 2018 and biennially thereafter, submit a report to the Governor and the General Assembly on the implementation of its recommendations and the effectiveness of efforts to cross-promote incentive programs and State policies.

* * * Energy Efficiency * * *

Sec. 5. 30 V.S.A. § 209(d)(3) is amended to read:

(3) Energy efficiency charge; regulated fuels. In addition to its existing authority, the Board may establish by order or rule a volumetric charge to customers for the support of energy efficiency programs that meet the requirements of section 218c of this title. The charge shall be known as the energy efficiency charge, shall be shown separately on each customer's bill, and shall be paid to a fund administrator appointed by the Board and deposited into an Electric Efficiency Fund. When such a charge is shown, notice as to how to obtain information about energy efficiency programs approved under this section shall be provided in a manner directed by the Board. This notice shall include, at a minimum, a toll-free telephone number, and to the extent feasible shall be on the customer's bill and near the energy efficiency charge.

* * *

(B) The charge established by the Board pursuant to this subdivision (3) shall be in an amount determined by the Board by rule or order that is consistent with the principles of least-cost integrated planning as defined in section 218c of this title.

(i) As circumstances and programs evolve, the amount of the charge shall be reviewed for unrealized energy efficiency potential and shall be adjusted as necessary in order to realize all reasonably available, cost-effective, energy efficiency savings.

(ii) In setting the amount of the charge and its allocation, the Board shall determine an appropriate balance among the following objectives; provided, however, that particular emphasis shall be accorded to the first four of these objectives: reducing the size of future power purchases; reducing the generation of greenhouse gases; limiting the need to upgrade the State's transmission and distribution infrastructure; minimizing the costs of electricity; reducing Vermont's total energy demand, consumption, and expenditures; providing efficiency and conservation as a part of a comprehensive resource supply strategy; providing the opportunity for all Vermonters to participate in efficiency and conservation programs; and targeting efficiency and conservation efforts to locations, markets, or customers where they may provide the greatest value.

(iii) The Board, by rule or order, shall establish a process by which a customer who pays an average annual energy efficiency charge under this subdivision (3) of at least \$5,000.00 may apply to the Board to self-administer energy efficiency through the use of an energy savings account, which shall contain a percentage of the customer's energy efficiency charge payments as determined by the Board. The remaining portion of the charge shall be used for systemwide energy benefits. The Board in its rules or order shall establish criteria for approval of these applications.

(iv) For one three-year period, the customer for the account of a manufacturing facility located in an industrial park in a small town or rural area may apply to self-administer energy efficiency programs and measures in lieu of paying the energy efficiency charge on the account.

(I) As used in this subdivision (I), "rural area," "small town," and "industrial park" shall have the same meaning as set forth in 10 V.S.A. § 325m.

(II) A customer seeking approval under this subdivision (iv) shall agree to invest, over a three-year period, an average annual dollar amount on cost-effective energy programs and measures equivalent to:

(aa) 75 percent of its most recent annual energy efficiency charge amount; or

(bb) if the customer has not previously paid an annual energy efficiency charge, 75 percent of the customer's estimated net annual kilowatt hours to be consumed multiplied by the applicable energy efficiency charge, provided that the customer shall submit to the Board the actual amount of kilowatt hours consumed in the first calendar year of self-administration so that the Board can determine if the customer shall be responsible for additional investment in energy programs and measures.

(III) Cost-effective energy programs and measures may include investment in on-site renewable generation, if cost-effective and part of a comprehensive program for the facility that includes energy efficiency measures. Annual financing payments of a cost-effective energy program or measure under this subdivision are allowable investment in calculating a customer's average investment on cost-effective energy programs or measures over a three-year period.

(IV) The Board shall develop criteria for approval of these applications.

(V) A customer shall self-administer under this subdivision for one three-year period and may not reapply for successive terms. At the conclusion of the three-year period, the customer shall pay the energy

efficiency charge as part of the customer's electric bill.

* * *

* * * Environmental Permitting * * *

Sec. 6. 3 V.S.A. § 2822 is amended to read:

§ 2822. BUDGET AND REPORT; POWERS

* * *

(h)(1) The Secretary shall reduce the fee for a permit or permit renewal under this section by 25 percent when the activity subject to the permit is located in an industrial park in a small town or rural area.

(2) If a fee for a stormwater permit or permit renewal is assessed on a per acre basis under subdivision (j)(2)(A) or (B) of this section, the maximum total fee for the permit shall be \$7,500.00 if the permitted activity is located in an industrial park in a small town or rural area.

(3) As used in this subdivision (I), "rural area," "small town," and "industrial park" shall have the same meaning as set forth in 10 V.S.A. § 325m.

(i)(1) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities shall pay fees prescribed in subdivisions (j)(2), (10), (11), (12), and (26), except that a municipality shall also be exempt from those fees for stormwater systems prescribed in subdivision (j)(2)(A)(iii)(I), (II), or (IV) and (j)(2)(B)(iv)(I), (II), or (V) of this section for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264.

(2) An air contaminant source shall be exempt from the fees required under subdivisions (j)(1)(A) and (B) when the source of the emissions is the anaerobic digestion of agricultural products, agricultural by-products, agricultural waste, or food waste.

* * *

* * * Phosphorus Removal Technology; Grants * * *

Sec. 7. 6 V.S.A. § 4828 is amended to read:

§ 4828. CAPITAL EQUIPMENT ASSISTANCE PROGRAM

(a) It is the purpose of this section to provide assistance to contract applicators, nonprofit organizations, and farms to purchase or use innovative equipment that will aid in the reduction of surface runoff of agricultural wastes to State waters, improve water quality of State waters, reduce odors from manure application, separate phosphorus from manure, decrease greenhouse gas emissions, and reduce costs to farmers.

(b) The capital equipment assistance program is created in the Agency of Agriculture, Food and Markets to provide farms, nonprofit organizations, and custom applicators in Vermont with State financial assistance for the purchase of new or innovative equipment to improve manure application, separation of phosphorus from manure, or nutrient management plan implementation.

(c) Assistance under this section shall in each fiscal year be allocated according to the following priorities and as further defined by the Secretary:

(1) First priority shall be given to capital equipment to be used on farm sites that are serviced by custom applicators, phosphorus separation equipment providers, and nonprofit organizations and that are located in descending order within the boundaries of:

- (A) the Lake Champlain Basin;
- (B) the Lake Memphremagog Basin;
- (C) the Connecticut River Basin; and
- (D) the Hudson River Basin.

(2) Next priority shall be given to capital equipment to be used at a farm site ~~which~~ that is located in descending order within the boundaries of:

- (A) the Lake Champlain Basin;
- (B) the Lake Memphremagog Basin;
- (C) the Connecticut River Basin; and
- (D) the Hudson River Basin.

(d) An applicant for a State grant under this section to purchase or implement phosphorus removal technology or equipment shall pay 10 percent of the total eligible project cost. The dollar amount of a State grant to purchase or implement phosphorus removal technology or equipment shall be equal to the total eligible project cost, less 10 percent of the total as paid by the applicant, and shall not exceed \$300,000.00.

* * * Forestry Equipment * * *

Sec. 8. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

* * *

(50) Compost, animal manure, manipulated animal manure, and planting mix when any of these items are sold in bulk. As used in this section, the term “sold in bulk” shall mean sold in a form that is not prepackaged, or sold in a packaged form in volumes greater than one cubic yard.

(51) Machinery, equipment, implements, accessories, parts, and contrivances used predominantly in the commercial cutting, removal, or processing of timber or other solid wood forest products intended to be sold ultimately at retail, including: grapple and cable skidders; feller bunchers; cut-to-length processors; forwarders; delimiters; loader slashers; log loaders; skid steer loaders; tracked excavators; bulldozers; whole tree chippers; stationary screening systems; and firewood processors, elevators, and screens; but excluding tracked vehicles subject to subdivision (38) of this section. As used in this subdivision, the term “predominantly” means 75 percent or more of the time the machinery or equipment is in use.

Sec. 9. 32 V.S.A. § 9706(kk) is added to read:

(kk) The statutory purpose of the exemption for timber cutting, removal, and processing machinery in subdivision 9741(51) of this title is to promote Vermont’s commercial timber and forest products economy.

* * * Repeals * * *

Sec. 10. REPEALS

The following are repealed on July 1, 2023:

(1) 10 V.S.A. chapter 15, subchapter 4 (Rural Economic Development Team);

(2) 30 V.S.A. § 209(d)(3)(B)(iv) (self administration of electric efficiency charge; industrial parks);

(3) 3 V.S.A. § 2822(h) (ANR fees in industrial parks) and (i)(2) (anaerobic digesters; air contaminant fee); and

(4) 6 V.S.A. § 4828(d) (phosphorus removal grant criteria).

* * * Effective Dates * * *

Sec. 11. EFFECTIVE DATES

This section and Sec. 3 (Vermont Milk Commission) shall take effect on passage. All other sections shall take effect on July 1, 2017.

(Committee vote: 5-0-0)

Reported favorably with recommendation of amendment by Senator Lyons for the Committee on Finance.

The Committee recommends that the bill be amended as recommended by the Committee on Agriculture with the following amendments thereto:

First: By striking out Sec. 5 in its entirety and inserting in lieu thereof the following:

Sec. 5. PUBLIC SERVICE BOARD; REPORT ON INCREASED PARTICIPATION IN SELF-ADMINISTRATION OF ENERGY EFFICIENCY

(a) On or before December 1, 2017, the Public Service Board shall require all entities that are appointed under 30 V.S.A. § 209 to implement and administer gas and electric energy efficiency and conservation programs to submit to the Board a plan for increasing participation in self administration of energy efficiency under 30 V.S.A. § 209(d)(3) by businesses located in small towns of the rural areas of the State. A plan submitted by appointed entities shall recommend:

(1) measures or criteria to incentivize increased participation in self-administration of energy efficiency;

(2) whether any incentives to increase participation in self-administration should be included as part of the demand resources plan for entities appointed to implement and administer gas and electric energy efficiency and conservation programs; and

(3) how the entities appointed to implement and administer gas and electric energy efficiency and conservation programs shall report in an annual plan or other report participation rates in self-administration of energy efficiency by businesses located in the small towns of rural areas of the State.

(b) On or before January 15, 2018, the Public Service Board shall submit to the Senate Committees on Finance, Natural Resources and Energy, and Agriculture and the House Committees on Ways and Means, Natural Resources, Fish and Wildlife, and Agriculture and Forestry the plans submitted to the Board under subsection (a) of this section and any recommendations, including legislative changes, by the Board to implement the submitted plans.

(c) As used in this section:

(1) “Rural area” means a county of the State designated as “rural” or “mostly rural” by the U.S. Census Bureau in its most recent decennial census.

(2) “Small town” means a town in a rural area of the State with a population of less than 5,000 at the date of the most recent U.S. Census Bureau decennial census.

Second: By striking out Sec. 6 in its entirety and inserting in lieu thereof the following:

Sec. 6. 3 V.S.A. § 2822(i) is amended to read:

(i)(1) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities shall pay fees prescribed in subdivisions (j)(2), (10), (11), (12), and (26), except that a municipality shall also be exempt from those fees for stormwater systems prescribed in subdivision (j)(2)(A)(iii)(I), (II), or (IV) and (j)(2)(B)(iv)(I), (II), or (V) of this section for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264.

(2) An air contaminant source shall be exempt from the fees required under subdivisions (j)(1)(A) and (B) when the source of the emissions is the anaerobic digestion of agricultural products, agricultural by-products, agricultural waste, or food waste.

Third: By striking out Sec. 8 in its entirety and inserting in lieu thereof the following:

Sec. 8. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

* * *

(51) The following machinery, including repair parts, used for timber cutting, removal, and processing of timber or other solid wood forest products intended to be sold ultimately at retail: skidders with grapple and cable, feller

bunchers, cut to length processors, forwarders, delimiters, loader slashers, log loaders, whole tree chippers, stationary screening systems, and firewood processors, elevators, and screens. The Department of Taxes shall publish guidance relating to the application of this exemption.

Fourth: By striking out Sec. 10 in its entirety and inserting in lieu thereof the following:

Sec. 10. REPEALS

The following are repealed on July 1, 2023:

(1) 10 V.S.A. chapter 15, subchapter 4 (Rural Economic Development Team);

(2) 3 V.S.A. § 2822(i)(2) (anaerobic digesters; air contaminant fee); and

(3) 6 V.S.A. § 4828(d) (phosphorus removal grant criteria).

(Committee vote: 6-0-1)

S. 100.

An act relating to promoting affordable and sustainable housing.

By the Committee on Economic Development, Housing and General Affairs. (Senator Balint for the Committee.)

Reported favorably with recommendation of amendment by Senator Sirotkin for the Committee on Finance.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Housing Help Surcharge; Housing Bond * * *

Sec. 1. VERMONT HOUSING AND CONSERVATIONBOARD;
HOUSING FOR ALL

(a) Findings and purpose.

(1) The General Assembly finds that investments are needed to help house the most vulnerable as well as creating more homes for workers.

(2) The shortage of affordable and available homes has been highlighted recently by:

(A) the Vermont Futures Project of the Vermont Chamber of Commerce, which set a growth target of 5,000 new and improved housing units annually;

(B) a national consultant's recommendations for a Roadmap to End Homelessness, which calls for 368 new units for permanent supportive housing

and 1,251 new homes affordable at 30 percent of median or below over the next five years; and

(C) the 2015 statewide housing needs assessment by Bowen National Research, which found the largest gaps in housing affordable to households below 30 percent of median and between 85 percent and 120 percent, and a lack of housing availability across the income spectrum.

(3) The purpose of this section is to promote the development and improvement of housing for Vermonters.

(b) The Vermont Housing and Conservation Board shall use the proceeds of bonds, notes, and other obligations issued by the Vermont Housing Finance Agency pursuant to 10 V.S.A. § 621(22) and transferred to the Vermont Housing and Conservation Trust Fund to fund the creation and improvement of ownership and rental housing for Vermonters with very low to middle income in areas targeted for growth and reinvestment, as follows:

(1) not less than 25 percent of the housing shall be targeted to Vermonters with very low income, meaning households below 50 percent of area median income; and

(2) not less than 25 percent shall be targeted to Vermonters with moderate income, meaning households between 80 and 120 percent of median income.

Sec. 2. 32 V.S.A. § 9241 is amended to read:

§ 9241. IMPOSITION OF TAX

(a) An operator shall collect a tax of nine percent of the rent of each occupancy plus a \$2.00 housing help surcharge for each night of the occupancy.

* * *

Sec. 3. 32 V.S.A. § 9241a is added to read:

§ 9241A. HOUSING HELP SURCHARGE; ALLOCATION OF REVENUES

(a) The revenues generated by the \$2.00 housing help surcharge imposed under subsection 9241(a) of this title shall be allocated as follows:

(1) the first \$2.5 million shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. chapter 15 and Sec. 1 of S.100 (2017) as enacted; and

(2) any remaining revenues shall be transferred to the Clean Water Fund created in 10 V.S.A. § 1388.

(b) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (a)(1) of this section remain outstanding, the housing help surcharge imposed pursuant to section 9241 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least \$6 million.

* * * Vermont Housing Finance Agency; Authority to Issue Bonds for Affordable Housing * * *

Sec. 4. 10 V.S.A. § 621 is amended to read:

§ 621. GENERAL POWERS AND DUTIES

The Agency shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided a business corporation by 11A V.S.A. § 3.02 and those general powers provided a nonprofit corporation by 11B V.S.A. § 3.02 and including, without limiting the generality of the foregoing, the power to:

* * *

(22) issue bonds, notes, and other obligations secured by the housing help surcharge revenues transferred to the Agency pursuant to 32 V.S.A. § 9241a(a)(1).

Sec. 5. 10 V.S.A. § 631(l) is added to read:

(l)(1) The bonds, notes, and other obligations authorized to be issued pursuant to subdivision 621(22) of this title shall be secured by a pledge of the housing help surcharge revenues to be transferred to the Agency pursuant to 32 V.S.A. § 9241a(a)(1) and shall mature not later than June 30, 2038.

(2) The Agency may issue the bonds, notes, and other obligations in one or more series at one time or from time to time, provided that the aggregate annual debt service on the bonds, notes, and other obligations shall not exceed \$2.5 million at any time.

(3) The Agency shall transfer the proceeds of the bonds, notes, and other obligations, less issuance fees and costs and required reserves, to the Vermont Housing and Conservation Trust Fund established pursuant to section 312 of this title, for use by the Vermont Housing and Conservation Board as provided in chapter 15 of this title and Sec. 1 of S.100 (2017) as enacted.

(4) The Agency, the Vermont Housing and Conservation Board, and the State Treasurer may execute one or more agreements governing the terms and

conditions under which the housing help surcharge revenues that secure the bonds, notes, and obligations will be transferred to the Agency, and any other issues they determine appropriate.

Sec. 6. REPEAL

The following shall be repealed on July 1, 2038:

(1) 32 V.S.A. § 9241a (housing help surcharge for affordable housing debt repayment and clean water fund).

(2) 10 V.S.A. § 621(22) (Vermont Housing Finance Agency (VHFA) authority to issue debt obligations secured by property transfer tax).

(3) 10 V.S.A. § 631(1) (debt obligations issued by VHFA).

Sec. 6a. 32 V.S.A. § 9241 is amended to read:

§ 9241. IMPOSITION OF TAX

(a) An operator shall collect a tax of nine percent of the rent of each occupancy.

* * *

Sec. 7. 10 V.S.A. § 323 is amended to read:

§ 323. ANNUAL REPORT

Prior to January 31 of each year, the ~~board~~ Board shall submit a report concerning its activities to the ~~governor~~ Governor and legislative committees on agriculture, natural resources and energy, appropriations, ways and means, finance, and institutions. The report shall include, ~~but not be limited to,~~ the following:

(1) a list and description of activities funded by the ~~board~~ Board during the preceding year, including commitments made to fund projects through housing bond proceeds pursuant to Sec. 1 of S.100 (2017) as enacted, and project descriptions, levels of affordability, and geographic location;

* * *

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

Sec. 8. 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 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. 9. 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. 10. 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 (3)(A)(iv)(I)(ff) of this section 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. 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. 11. 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 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 the 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. 12. 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.

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

Sec. 13. 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. 14. 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. 15. 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.

* * *

Sec. 16. 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. 17. 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:

(i) 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. 18. IMPLEMENTATION

Secs. 16 and 17 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. 19. EFFECTIVE DATES

(a) This section and Secs. 16–18 (tax increment financing districts) shall take effect on passage.

(b) Sec. 6a (repeal of housing help surcharge) shall take effect on July 1, 2038.

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

(Committee vote: 5-1-1)

CONCURRENT RESOLUTIONS FOR ACTION

S.C.R. 10 (For text of Resolution, see Addendum to Senate Calendar for March 23, 2017)

H.C.R. 76-88 (For text of Resolutions, see Addendum to House Calendar for March 23, 2017)

FOR INFORMATION ONLY

CROSS OVER DATES

The Joint Rules Committee established the following Crossover deadlines:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 17, 2017**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday, March 24, 2017**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

Exceptions to the foregoing deadlines include the major money bills (Appropriations “Big Bill”, Transportation Spending Bill, Capital Construction Bill, and Fee and Tax Bills).