

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred Senate Bill No. 135 entitled “An act relating to promoting economic
4 development” respectfully reports that it has considered the same and
5 recommends that the House propose to the Senate to amend the bill by striking
6 out all after the enacting clause and inserting in lieu thereof the following:

7 * * * Vermont Employment Growth Incentive Program * * *

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

9 CHAPTER 105. VERMONT EMPLOYMENT GROWTH

10 INCENTIVE PROGRAM

11 * * *

12 § 3332. APPLICATION; APPROVAL CRITERIA

13 (a) Application.

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

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

19 (A) specify a payroll performance requirement;

20 (B) specify a jobs performance requirement or a capital investment
21 performance requirement, or both; and

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

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

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

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

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

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

17 (B) the business complies with applicable State laws and
18 regulations; and

19 (C) the proposed economic activity ~~conforms~~ would conform to
20 applicable town and regional plans and with applicable State laws and
21 regulations.

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

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

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

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

14 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL
15 TECHNOLOGY BUSINESS

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

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

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

20 Secretary of Commerce and Community Development certifies is primarily

1 research, design, engineering, development, or manufacturing related to one or
2 more of the following:

3 (A) waste management, including waste collection, treatment,
4 disposal, reduction, recycling, and remediation;

5 (B) natural resource protection and management, including water and
6 wastewater purification and treatment, air pollution control and prevention or
7 remediation, soil and groundwater protection or remediation, and hazardous
8 waste control or remediation;

9 (C) energy efficiency or conservation;

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

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

15 (1) the business's potential share of new revenue growth shall be
16 90 percent; and

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

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

20 (B) multiply the business's full-time payroll for the award year by
21 20 percent of the background growth rate; and

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

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

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

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

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

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

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

15 § 3339. RECAPTURE; REDUCTION; REPAYMENT

16 (a) Recapture.

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

19 (A) the business fails to file a claim as required in section 3338 of
20 this title; ~~or~~

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

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

2 (ii) if it had no jobs at the time of application, a 90 percent or

3 greater reduction from the sum of its job performance requirements; or

4 (C) the Department determines that during the application or claims

5 process the business knowingly made a false attestation that the business:

6 (i) was not a named party to, or was in compliance with, an

7 administrative order, consent decree, or judicial order issued by the State or a

8 subdivision of the State: or

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

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

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

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

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

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

4 (1) The Department shall:

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

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

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

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

15 (B) the Department shall recapture the amount by which the value of
16 the installment payments the business has already received exceeds the value
17 of the reduced incentive.

18 (c) Tax liability.

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

1 * * * VEGI; Confidentiality * * *

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

3 § 3102. CONFIDENTIALITY OF TAX RECORDS

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

12 * * *

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

14 * * *

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

20 (6) to the Vermont Economic Progress Council, provided that the
21 disclosure relates to a successful business applicant under chapter 105,

1 subchapter 2 of this title and the incentive it has claimed is reasonably
2 necessary for the Council to perform its duties under that subchapter.

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

7 * * *

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

20 * * *

1 * * * Rural Economic Development Infrastructure Districts; H.459 * * *

2 Sec. B.1. 24 V.S.A. chapter 138 is added to read:

3 CHAPTER 138. RURAL ECONOMIC DEVELOPMENT

4 INFRASTRUCTURE DISTRICTS

5 § 5701. PURPOSE

6 The purpose of this chapter is to enable formation of special municipal
7 districts to finance, own, and maintain infrastructure that provides economic
8 development opportunities in rural and under-resourced areas of the State,
9 including areas within one or more municipalities. Specifically, this chapter
10 provides mechanisms for public and private partnerships, including
11 opportunities for tax-incentivized financing and voluntary citizen engagement,
12 to help overcome density and economic hardship.

13 § 5702. ESTABLISHMENT; GENERAL PROVISIONS

14 (a) Establishment. Upon written application by 20 or more voters within a
15 proposed district **or upon its own motion**, the legislative body of a municipality
16 may establish a rural economic development infrastructure district. The
17 application shall describe the infrastructure to be built or acquired; the plan for
18 financing its acquisition; the anticipated economic benefit; the source of
19 revenues for loan, bond, or lease payments; and plans for retention and
20 disbursement of excess revenues, if any. The application also shall clearly
21 state that the proposed district shall not have authority to levy taxes upon the

1 grand list and may not levy service charges or fees upon any underlying
2 municipality except for services used by such municipality, its own officers,
3 and employees in the operation of municipal functions. Notice of
4 establishment of a district shall be recorded as provided in subsection (e) of
5 this section, posted in at least three public places within the municipality for at
6 least 30 days, and published in a newspaper of general circulation within the
7 municipality not more than 10 days from the date of establishment by the
8 legislative body. Following 40 days from the later of the date of establishment
9 by the legislative body of the municipality or an affirmative vote under
10 subdivision (d)(1) or (2) of this section, the district shall be deemed to be a
11 body politic and corporate, capable of exercising those powers and
12 prerogatives explicitly granted by the legislative body of the municipality in
13 accordance with this chapter and the district's establishment application.

14 (b) Districts involving more than one municipality. Where the limits of a
15 proposed district include two or more municipalities, or portions of two or
16 more municipalities, the application required by this section shall be made to
17 and considered by the legislative body of each such municipality.

18 (c) Alteration of district limits. The legislative body of a municipality in
19 which a district is located may alter the limits of a district upon application to
20 the governing board of the district, provided the governing board gives prior
21 written consent. A district expansion need not involve contiguous property.

1 Notice of an alteration of the limits of a district shall be recorded as provided
2 in subsection (e) of this section, posted in at least three public places within the
3 municipality for at least 30 days, and published in a newspaper of general
4 circulation within the municipality not more than 10 days from the date of the
5 legislative body’s decision to alter the limits of a district.

6 (d)(1) Contestability. If a petition signed by five percent of the voters of
7 the municipality objecting to the proposed establishment or alteration of limits
8 of a district is presented to the municipal clerk within 30 days of the date of
9 posting and publication of the notice required by subsection (a) or (c) of this
10 section, as applicable, the legislative body of the municipality shall cause the
11 question of whether the municipality shall establish or alter the limits of the
12 district to be considered at a meeting called for that purpose. The district shall
13 be established in accordance with the application or the limits altered unless a
14 majority of the voters of the municipality present and voting votes to
15 disapprove such establishment or alteration of limits.

16 (2) If a petition signed by five percent of the voters of the municipality
17 objecting to a legislative body’s decision denying the establishment or the
18 alteration of limits of a district is presented to the municipal clerk within 30
19 days of the legislative body’s decision, the legislative body shall cause the
20 question of whether the municipality shall establish or alter the limits of the
21 district to be considered at an annual or special meeting called for that purpose.

1 (e) Recording. A record of the establishment of a district and any alteration
2 of district limits made by a legislative body shall be filed with the clerk of each
3 municipality in which the district is located, and shall be recorded with the
4 Secretary of State.

5 § 5703. LIMITATIONS; TAXES; INDEBTEDNESS; EMINENT DOMAIN

6 Notwithstanding any grant of authority in this chapter to the contrary:

7 (1) A district shall not accept funds generated by the taxing or
8 assessment power of any municipality in which it is located.

9 (2) A district shall not have the power to levy, assess, apportion, or
10 collect any tax upon property within the district, nor upon any of its underlying
11 municipalities, without specific authorization of the General Assembly.

12 (3) All obligations of the district, including financing leases, shall be
13 secured by and payable only out of the assets of or revenues or monies in the
14 district, including revenue generated by an enterprise owned or operated by the
15 district.

16 (4) A district shall not have powers of eminent domain.

17 § 5704. GOVERNING BOARD; COMPOSITION; MEETINGS; REPORT

18 (a) Governing board. The legislative power and authority of a district and
19 the administration and the general supervision of all fiscal, prudential, and
20 governmental affairs of a district shall be vested in a governing board, except
21 as otherwise specifically provided in this chapter.

1 (b) Composition. The first governing board of the district shall consist of
2 four to eight members appointed in equal numbers by the legislative bodies of
3 the underlying municipalities. It shall draft the district’s bylaws specifying the
4 size, composition, and manner of appointing members to the permanent
5 governing board. The bylaws shall require that a majority of the board shall be
6 appointed annually by the legislative bodies of the underlying municipalities.
7 Board members shall serve staggered, three-year terms, and shall be eligible to
8 serve successive terms. The legislative bodies of the municipalities in which
9 the district is located shall fill board vacancies, and may remove board
10 members at will. Any bylaws developed by the governing board shall be
11 submitted for approval to the legislative bodies of the municipalities within the
12 district and shall be considered duly adopted 45 days from the date of
13 submission, provided none of the legislative bodies disapprove of the bylaws.

14 (c) First meeting. The first meeting of the district shall be called upon 30
15 days’ posted and published notice by a presiding officer of a legislative body
16 in which the district is located. Voters within a municipality in which the
17 district is located are eligible to vote at annual and special district meetings. At
18 the first meeting of the district, and at each subsequent annual meeting, there
19 shall be elected from among board members a chair, vice chair, clerk, and
20 treasurer who shall assume their respective offices upon election. At the first
21 meeting, the fiscal year of the district shall be established and rules of

1 parliamentary procedure shall be adopted. Prior to assuming their offices,
2 officers may be required to post bond in such amounts as determined by
3 resolution of the board. The cost of such bond shall be borne by the district.

4 (d) Annual and special meetings. Unless otherwise established by the
5 voters, the annual district meeting shall be held on the second Monday in
6 January and shall be warned by the clerk or, in the clerk's absence or neglect,
7 by a member of the board. Special meetings shall be warned in the same
8 manner on application in writing by five percent of the voters of the district. A
9 warning for a district meeting shall state the business to be transacted. The
10 time and place of holding the meeting shall be posted in two or more public
11 places in the district not more than 40 days nor less than 30 days before the
12 meeting and recorded in the office of the clerk before the same is posted.

13 (e) Annual report. The district shall report annually to the legislative
14 bodies and the citizens of the municipalities in which the district is located on
15 the results of its activities in support of economic growth, job creation,
16 improved community efficiency, and any other benefits incident to its
17 activities.

18 § 5705. OFFICERS

19 (a) Generally. The district shall elect at its first meeting and at each annual
20 meeting thereafter a chair, vice chair, clerk, and treasurer, who shall hold

1 office until the next annual meeting and until others are elected. The board
2 may fill a vacancy in any office.

3 (b) Chair. The chair shall preside at all meetings of the board and make
4 and sign all contracts on behalf of the district upon approval by the board. The
5 chair shall perform all duties incident to the position and office as required by
6 the general laws of the State.

7 (c) Vice chair. During the absence of or inability of the chair to render or
8 perform his or her duties or exercise his or her powers, the same shall be
9 performed and exercised by the vice chair and when so acting, the vice chair
10 shall have all the powers and be subject to all the responsibilities given to or
11 imposed upon the chair. During the absence or inability of the vice chair to
12 render or perform his or her duties or exercise his or her powers, the board
13 shall elect from among its members an acting vice chair who shall have the
14 powers and be subject to all the responsibilities given or imposed upon the vice
15 chair.

16 (d) Clerk. The clerk shall keep a record of the meetings, votes, and
17 proceedings of the district for the inspection of its inhabitants.

18 (e) Treasurer. The treasurer of the district shall be appointed by the board,
19 and shall serve at its pleasure. The treasurer shall have the exclusive charge
20 and custody of the funds of the district and shall be the disbursing officer of the
21 district. When warrants are authorized by the board, the treasurer may sign,

1 make, or endorse in the name of the district all checks and orders for the
2 payment of money and pay out and disburse the same and receipt therefor.
3 The treasurer shall keep a record of every obligation issued and contract
4 entered into by the district and of every payment made. The treasurer shall
5 keep correct books of account of all the business and transactions of the district
6 and such other books and accounts as the board may require. The treasurer
7 shall render a statement of the condition of the finances of the district at each
8 regular meeting of the board and at such other times as required of the
9 treasurer. The treasurer shall prepare the annual financial statement and the
10 budget of the district for distribution, upon approval of the board, to the
11 legislative bodies of district members. Upon the treasurer's termination from
12 office by virtue of removal or resignation, the treasurer shall immediately pay
13 over to his or her successor all of the funds belonging to the district and at the
14 same time deliver to the successor all official books and papers.

15 § 5706. AUDIT

16 Once the district becomes operational, the board shall cause an audit of the
17 financial condition of the district to be performed annually by an independent
18 professional accounting firm. The results of the audit shall be provided to the
19 governing board and to the legislative bodies of the municipalities in which the
20 district is located.

21 § 5707. COMMITTEES

1 The board has authority to establish one or more committees and grant and
2 delegate to them such powers as it deems necessary. Members of an executive
3 committee shall serve staggered terms and shall be board members.

4 Membership on other committees established by the board is not restricted to
5 board members.

6 § 5708. DISTRICT POWERS

7 A district created under this chapter has the power to:

8 (1) exercise independently and in concert with other municipalities any
9 other powers which are necessary or desirable for the installation, ownership,
10 operation, maintenance, and disposition of infrastructure promoting economic
11 development in rural areas and matters of mutual concern and that are
12 exercised or are capable of exercise by any of its members;

13 (2) enter into municipal financing agreements as provided by sections
14 1789 and 1821-1828 of this title, or other provisions authorizing the pledge of
15 district assets or net revenue, or alternative means of financing capital
16 improvements and operations;

17 (3) purchase, sell, lease, own, acquire, convey, mortgage, improve, and
18 use real and personal property in connection with its purpose;

19 (4) enter into contracts for any term or duration;

- 1 (5) operate, cause to be operated, or contract for the construction,
2 ownership, management, financing, and operation of an enterprise which a
3 municipal corporation is authorized by law to undertake;
- 4 (6) hire employees and fix the compensation and terms of employment;
- 5 (7) contract with individuals, corporations, associations, authorities, and
6 agencies for services and property, including the assumption of the liabilities
7 and assets thereof, provided that no assumed liability shall be a general
8 obligation of a municipality in which the district is located;
- 9 (8) contract with the State of Vermont, the United States of America, or
10 any subdivision or agency thereof for services, assistance, and joint ventures;
- 11 (9) contract with any municipality for the services of any officers or
12 employees of that municipality useful to it;
- 13 (10) promote cooperative arrangements and coordinated action among
14 its members and other public and private entities;
- 15 (11) make recommendations for review and action to its members and
16 other public agencies that perform functions within the region in which its
17 members are located;
- 18 (12) sue and be sued; provided, however, that the property and assets of
19 the district, other than such property as may be pledged as security for a district
20 obligation, shall be subject to levy, execution, or attachment;

1 (13) appropriate and expend monies; provided, however, that no
2 appropriation shall be funded or made in reliance upon any taxing authority of
3 the district;

4 (14) establish sinking and reserve funds for retiring and securing its
5 obligations;

6 (15) establish capital reserve funds and make deposits in them;

7 (16) solicit, accept, and administer gifts, grants, and bequests in trust or
8 otherwise for its purpose;

9 (17) enter into an interstate compact consistent with the purposes of this
10 chapter, subject to the approval of the Vermont General Assembly and the
11 United States Congress;

12 (18) develop a public sewer or water project, provided the legislative
13 body and the planning commission for the municipality in which the sewer or
14 water project is proposed to be located confirm in writing that such project
15 conforms with any duly adopted municipal plan, and the regional planning
16 commission confirms in writing that such project conforms with the duly
17 adopted regional plan;

18 (19) exercise all powers incident to a public corporation, but only to the
19 extent permitted in this chapter; and

20 (20) adopt a name under which it shall be known and shall conduct
21 business.

1 § 5709. DISSOLUTION

2 (a) If the board by resolution approved by a two-thirds vote determines that
3 it is in the best interests of the public, the district members, and the district that
4 such district be dissolved, and if the district then has no outstanding
5 obligations under pledges of district assets or revenue, long-term contracts, or
6 contracts subject to annual appropriation, or will have no such debt or
7 obligation upon completion of the plan of dissolution, it shall prepare a plan of
8 dissolution and thereafter adopt a resolution directing that the question of such
9 dissolution and the plan of dissolution be submitted to the voters of the district
10 at a special meeting thereof duly warned for such purpose. If a majority of the
11 voters of the district present and voting at such special meeting shall vote to
12 dissolve the district and approve the plan of dissolution, the district shall cease
13 to conduct its affairs except insofar as may be necessary for the winding up of
14 them. The board shall immediately cause a notice of the proposed dissolution
15 to be mailed to each known creditor of the district and to the Secretary of State
16 and shall proceed to collect the assets of the district and apply and distribute
17 them in accordance with the plan of dissolution.

18 (b) The plan of dissolution shall:

19 (1) identify and value all unencumbered assets;

20 (2) identify and value all encumbered assets;

1 retirement plan, which shall remain in compliance with federal law and
2 regulations once implemented, and shall be called the “Green Mountain Secure
3 Retirement Plan.”

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (c) The Plan shall:

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

11 (A) employers:

12 (i) with 50 employees or fewer; and

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

15 (B) self-employed individuals;

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

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

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

1 (5) be overseen by a board:

2 (A) that shall:

3 (i) set program terms;

4 (ii) prepare and design plan documents; and

5 (iii) be authorized to appoint an administrator to assist in the

6 selection of investments, managers, custodians, and other support services; and

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

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

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

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

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

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

18 (vi) an individual who is an employer with 50 employees or fewer
19 and who does not offer a retirement plan to his or her employees, to be
20 appointed by the Committee on Committees; and

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

- 1 (C) that shall, on or before January 15, 2020, and every year
2 thereafter, report to the House and Senate Committees on Government
3 Operations concerning the Green Mountain Secure Retirement Plan, including:
4 (i) the number of employers and self-employed individuals
5 participating in the plan;
6 (ii) the total number of individuals participating in the plan;
7 (iii) the number of employers and self-employed individuals who
8 are eligible to participate in the plan but who do not participate;
9 (iv) the number of employers and self-employed individuals, and
10 the number of employees of participating employers, who have ended their
11 participation during the preceding twelve months;
12 (v) the total amount of funds contributed to the Plan during the
13 preceding twelve months;
14 (vi) the total amount of funds withdrawn from the Plan during the
15 preceding twelve months;
16 (vii) the total funds or assets under management by the Plan;
17 (viii) the average return during the preceding twelve months;
18 (ix) the costs of administering the Plan;
19 (x) the Board’s assessment concerning whether the Plan is
20 sustainable and viable;
21 (xi) once the marketplace is established;

1 (I) the number of individuals participating;
2 (II) the number and nature of plans offered; and
3 (III) the Board’s process and criteria for vetting plans; and
4 (xii) any other information the Board considers relevant, or that
5 the Committee requests.

6 (D) for attendance at meetings, members of the Board who are not
7 employees of the State of Vermont, and who are not otherwise compensated by
8 their employer or other organization, shall be reimbursed at the per diem rate
9 set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel
10 expenses.

11 (d) The State of Vermont shall implement the “Green Mountain Secure
12 Retirement Plan” on or before January 15, 2019, based on the
13 recommendations of the Public Retirement Plan Study Committee as set forth
14 in Sec. F.1 of 2016 Acts and Resolves, No. 157.

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

16 Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF
17 ESTABLISHING A PUBLIC RETIREMENT PLAN

18 (a) Creation of Committee.

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

1 (2) It is the intent of the General Assembly that the Committee continue
2 the work of the Public Retirement Plan Study Committee created in 2014 Acts
3 and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves
4 No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop
5 specific recommendations concerning the design, creation, and implementation
6 of the Multiple Employer Plan (MEP), pursuant to in Sec. C.1 of S.135 (2017)
7 as enacted and as set forth in the January 6, 2017 report issued by the
8 Committee.

9 (b) Membership.

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

12 (A) the State Treasurer or designee;

13 (B) the Commissioner of Labor or designee;

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

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

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

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

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

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

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

15 (c) Powers and duties.

16 (1)(A) The Committee shall ~~study the feasibility of establishing a~~
17 develop specific recommendations concerning the design, creation, and
18 implementation time line of the Multiple Employer Plan (MEP) public
19 retirement plan, including the following pursuant to Sec. C.1 of S.135 (2017)
20 as enacted, which shall:

1 (i) ~~the access Vermont residents currently have to employer-~~
2 ~~sponsored retirement plans and the types of employer-sponsored retirement~~
3 ~~plans;~~

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

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

9 (iv) ~~current incentives to encourage retirement savings, and the~~
10 ~~effectiveness of those incentives;~~

11 (v) ~~whether other states have created a public retirement plan and~~
12 ~~the experience of those states;~~

13 (vi) ~~whether there is a need for a public retirement plan~~
14 ~~in Vermont;~~

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

17 (viii) ~~other programs or incentives the State could pursue in~~
18 ~~combination with a public retirement plan, or instead of such a plan, in order to~~
19 ~~encourage residents to save and prepare for retirement; and be available on a~~
20 ~~voluntary basis to:~~

21 (I) employers:

1 (aa) with 50 employees or fewer; and

2 (bb) who do not currently offer a retirement plan to their
3 employees; and

4 (II) self-employed individuals;

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

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

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

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

12 (I) set programs terms;

13 (II) prepare and design plan documents; and

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

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

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

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

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

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

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

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

17 (iii) 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 (iv) any other issue the Committee deems relevant.

1 (2) The Committee shall:

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

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

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

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

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

20 (e) Meetings; term of Committee; Chair. The Committee may meet
21 as frequently as necessary to perform its work and shall cease to exist on

1 January 15, 2018. The State Treasurer shall serve as Chair of the Committee
2 and shall call the first meeting.

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

7 * * * Workers' Compensation; VOSHA * * *

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

9 § 210. PENALTIES

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

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

6 (2) Any employer who has received a citation for a serious violation of
7 the requirements of this Code, or any standard; or rule adopted, or order
8 ~~promulgated~~ issued pursuant to this Code, ~~or of any regulations prescribed~~
9 ~~pursuant to this Code~~, shall be assessed a civil penalty of up to ~~\$7,000.00~~
10 \$12,675.00 for each violation.

11 (3) Any employer who has received a citation for a violation of the
12 requirements of this Code, or any standard; or rule adopted, or order
13 ~~promulgated~~ issued pursuant to this Code ~~or of regulations prescribed pursuant~~
14 ~~to this Code, and such violation if the violation~~ is specifically determined not
15 to be of a serious nature, may be assessed a civil penalty of up to ~~\$7,000.00~~
16 \$12,675.00 for each such violation.

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

1 may be assessed a civil penalty of not more than ~~\$7,000.00~~ \$12,675.00 for
2 each day during which the failure or violation continues.

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

8 * * *

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

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

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

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

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

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

* * *

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

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

§ 540. ~~WORKFORCE EDUCATION AND TRAINING~~ DEVELOPMENT

LEADER

(a) The Commissioner of Labor shall be the leader of workforce ~~education~~ and training development in the State, and shall have the authority and

1 responsibility for the coordination of workforce education and training within
2 State government, including the following duties:

3 (1) Perform the following duties in consultation with the State
4 Workforce Development Board:

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

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

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

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

16 (E) ensure coordination and ~~non-duplication~~ nonduplication of
17 workforce education and training activities;

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

20 (G) design and implement criteria and performance measures for
21 workforce education and training activities; and

1 (H) establish goals for the integrated workforce education and
2 training system.

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

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

9 (B) amount of funding;

10 (C) activities and training provided;

11 (D) number of trainees and their general description, including the
12 gender of the trainees when available;

13 (E) employment status of trainees; and

14 (F) future needs for resources.

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

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

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

4 (6) Facilitate effective communication between the business community
5 and public and private educational institutions.

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

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

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

15 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT

16 PROGRAMS

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

20 (b) Purposes. The Department shall use the Fund for the following
21 purposes:

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

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

5 (3) apprenticeship, preapprenticeship, and industry-recognized
6 credential training; and

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

9 (c) Administrative and other support. The Department of Labor shall
10 provide administrative support for the grant award process. When appropriate
11 and reasonable, the State Workforce Investment Board and all other public
12 entities involved in economic development and workforce education and
13 training shall provide other support in the process.

14 (d) Eligible activities.

15 (1) The Department, in collaboration with the Agency of Education
16 when applicable, shall grant awards from the Fund to employers and entities,
17 including private, public, and nonprofit entities, institutions of higher
18 education, high schools, middle schools, K–12 school districts and supervisory
19 unions, technical centers, and workforce education and training programs that:

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

4 (B) employ student-oriented approaches to workforce education and
5 training; and

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

7 (2) The Department may fund programs or projects that demonstrate
8 actual increased income and economic opportunity for employees and
9 employers for more than one year.

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

13 (e) [Repealed].

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

17 (1) Training Programs.

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

1 (i) train workers for trades or occupations that are expected to lead
2 to jobs paying at least 200 percent of the current minimum wage or at least
3 150 percent if benefits are included; this requirement may be waived when
4 warranted based on regional or occupational wages or economic reality;

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

7 (iii) provide a project timeline, including performance goals, and
8 identify how the effectiveness and outcomes of the program will be measured,
9 including for the individual participants, the employers, and the program as a
10 whole; and

11 (iv) articulate the need for the training and the direct connection
12 between the training and the job.

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

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

18 (ii) address the needs of workers who are unemployed,
19 underemployed, or ~~are~~ at risk of becoming unemployed, and workers who are
20 in transition from one job or career to another;

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

5 (iv) in the discretion of the Commissioner, otherwise serve the
6 purposes of this chapter.

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

10 (3) Apprenticeship Program. The Vermont Apprenticeship Program
11 established under 21 V.S.A. chapter 13. Awards under this subdivision may be
12 used to fund the cost of apprenticeship-related instruction provided by the
13 Department of Labor.

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

17 ~~*** Vermont Minimum Wage ***~~

18 ~~Sec. F.1. MINIMUM WAGE STUDY~~

19 ~~(a) Creation. There is created the Minimum Wage Study Committee.~~

20 ~~(b) Membership. The Committee shall be composed of the following~~
21 ~~members:~~

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

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

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

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

9 (2) the economic effects of small to large increases in the Vermont
10 minimum wage, including in relation to the minimum wages in neighboring
11 states;

12 (3) how the potential for improving economic prosperity for Vermonters
13 with low and middle incomes through the Vermont Earned Income Tax Credit
14 might interact with raising the minimum wage;

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

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

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

1 ~~(7) further research to better understand the maximum beneficial~~
2 ~~minimum wage level in Vermont.~~

3 ~~(d) Assistance. The Committee shall have the administrative, technical,~~
4 ~~and legal assistance of the Joint Fiscal Office, the Office of Legislative~~
5 ~~Council, the Department of Labor, the Department of Taxes, and the Agency of~~
6 ~~Human Services.~~

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

11 ~~(f) Meetings.~~

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

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

15 ~~(3) The members of the Committee shall select a chair at its first~~
16 ~~meeting.~~

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

18 ~~(g) Reimbursement. For attendance at meetings during adjournment of the~~
19 ~~General Assembly, legislative members of the Committee shall be entitled to~~
20 ~~per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.~~
21 ~~§ 406 for no more than five meetings.~~

1 2017, the Center for Legal Innovation at Vermont Law School, in consultation
2 with the Commissioner of Financial Regulation, the Secretary of Commerce
3 and Community Development, and the Attorney General, shall submit a report
4 to the General Assembly that includes:

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

7 (B) suggestions for an overall policy direction and proposals for
8 legislative and regulatory action that would effectively implement that policy
9 direction; and

10 (C) measurable goals and outcomes that would indicate success in the
11 implementation of such a policy.

12 (2) In developing the background for this report, the Center,
13 Commissioner, Secretary, and Attorney General may consult such other
14 constituencies and stakeholders within and outside the State as they may
15 determine will be helpful to their considerations.

16 * * * Municipal Outreach; Sewerage and Water Service Connections * * *
17 Sec. H.1. AGENCY OF NATURAL RESOURCES; EDUCATION AND
18 OUTREACH; DELEGATION; SEWERAGE AND WATER
19 SERVICE CONNECTIONS

20 (a) The Secretary of Natural Resources, after consultation with the
21 Vermont League of Cities and Towns, shall conduct outreach and education

1 for municipalities regarding the ability of a municipality under 10 V.S.A.
2 § 1976 to be delegated the authority to permit the connection of a municipal
3 sewer or water service line to subdivided land, a building, or a campground.

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

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

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

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

3 § 4303. DEFINITIONS

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

6 (1) “Affordable housing” means either of the following:

7 (A) ~~Housing that is owned by its inhabitants whose gross annual~~
8 ~~household income does not exceed 80 percent of the county median income, or~~
9 ~~80 percent of the standard metropolitan statistical area income if the~~
10 ~~municipality is located in such an area, as defined by the U.S. Department of~~
11 ~~Housing and Urban Development, and the total annual cost of the housing,~~
12 ~~including principal, interest, taxes, insurance, and condominium association~~
13 ~~fees is not more than 30 percent of the household’s gross annual income.~~
14 Owner-occupied housing for which the total annual cost of ownership,
15 including principal, interest, taxes, insurance, and condominium association
16 fees, does not exceed 30 percent of the gross annual income of a household at
17 120 percent of the highest of the following:

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

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

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

6 (B) ~~Housing that is rented by its inhabitants whose gross annual~~
7 ~~household income does not exceed 80 percent of the county median income, or~~
8 ~~80 percent of the standard metropolitan statistical area income if the~~
9 ~~municipality is located in such an area, as defined by the U.S. Department of~~
10 ~~Housing and Urban Development, and the total annual cost of the housing,~~
11 ~~including rent, utilities, and condominium association fees, is not more than~~
12 ~~30 percent of the household's gross annual income. Rental housing for which~~
13 the total annual cost of renting, including rent, utilities, and condominium
14 association fees, does not exceed 30 percent of the gross annual income of a
15 household at 80 percent of the highest of the following:

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

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

1 (bb) ~~150 or more, in a municipality with a population of~~
2 ~~10,000 or more but less than 15,000; [Repealed.]~~

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

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

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

9 (ff) ~~notwithstanding~~ Notwithstanding subdivisions ~~(aa)~~(cc)
10 through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction
11 involves the demolition of one or more buildings that are listed on or eligible
12 to be listed on the State or National Register of Historic Places. However,
13 demolition shall not be considered to create jurisdiction under this subdivision
14 if the Division for Historic Preservation has determined that the proposed
15 demolition will have no adverse effect, will have no adverse effect if specified
16 conditions are met, or will have an adverse effect that will be adequately
17 mitigated. Any imposed conditions shall be enforceable through a grant
18 condition, deed covenant, or other legally binding document.

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

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

3 * * *

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

5 * * *

6 (viii)(I) The construction of a priority housing project in a
7 municipality with a population of 10,000 or more.

8 (II) If the construction of a priority housing project in this
9 subdivision (3)(D)(viii) involves demolition of one or more buildings that are
10 listed or eligible to be listed on the State or National Register of Historic
11 Places, this exemption shall not apply unless the Division for Historic
12 Preservation has made the determination described in subdivision (A)(iv)(I)(ff)
13 of this subdivision (3) and any imposed conditions are enforceable in the
14 manner set forth in that subdivision.

15 * * *

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

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

20 (i) at least 15 percent of the housing units have a purchase price
21 ~~which~~ that at the time of first sale does not exceed 85 percent of the new

1 construction, targeted area purchase price limits established and published
2 annually by the Vermont Housing Finance Agency; or

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

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

10 (28) “Mixed use” means construction of both mixed income housing
11 and construction of space for any combination of retail, office, services,
12 artisan, and recreational and community facilities, provided at least 40 percent
13 of the gross floor area of the buildings involved is mixed income housing.

14 “Mixed use” does not include industrial use.

15 (29) “Affordable housing” means either of the following:

16 (A) ~~Housing that is owned by its inhabitants whose gross annual~~
17 ~~household income does not exceed 80 percent of the county median income, or~~
18 ~~80 percent of the standard metropolitan statistical area income if the~~
19 ~~municipality is located in such an area, as defined by the U.S. Department of~~
20 ~~Housing and Urban Development, and the total annual cost of the housing,~~
21 ~~including principal, interest, taxes, insurance, and condominium association~~

1 ~~fees is not more than 30 percent of the household's gross annual income.~~

2 Owner-occupied housing for which the total annual cost of ownership,

3 including principal, interest, taxes, insurance, and condominium association

4 fees, does not exceed 30 percent of the gross annual income of a household at

5 120 percent of the highest of the following:

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

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

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

13 ~~(B) Housing that is rented by its inhabitants whose gross annual~~
14 ~~household income does not exceed 80 percent of the county median income, or~~
15 ~~80 percent of the standard metropolitan statistical area income if the~~
16 ~~municipality is located in such an area, as defined by the U.S. Department of~~
17 ~~Housing and Urban Development, and the total annual cost of the housing,~~
18 ~~including rent, utilities, and condominium association fees, is not more than~~
19 ~~30 percent of the household's gross annual income. Rental housing for which~~
20 the total annual cost of renting, including rent, utilities, and condominium

1 association fees, does not exceed 30 percent of the gross annual income of a
2 household at 80 percent of the highest of the following:

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

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

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

10 * * *

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

13 (A) mixed income housing or mixed use, or any combination thereof,
14 and is located entirely within a designated downtown development district,
15 designated new town center, designated growth center, or designated village
16 center that is also a designated neighborhood development area under
17 24 V.S.A. chapter 76A; or

18 (B) mixed income housing and is located entirely within a designated
19 Vermont neighborhood or designated neighborhood development area under
20 24 V.S.A. chapter 76A.

21 * * *

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

2 § 6081. PERMITS REQUIRED; EXEMPTIONS

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

9 * * *

10 (o) If a ~~downtown development district~~ designation pursuant to 24 V.S.A.
11 ~~§ 2793~~ chapter 76A is removed, subsection (a) of this section shall apply to
12 any subsequent substantial change to a priority housing project that was
13 originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title on the
14 basis of that designation.

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

1 changed or their successors in interest have consented to the proposed changes
2 to conditions relative to the criteria for which the party obtained party status.

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

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

12 § 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

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

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

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

19 § 2472. DEPARTMENT OF HOUSING AND COMMUNITY

20 DEVELOPMENT

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

4 * * *

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

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

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

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

16 * * *

17 * * * Downtown Tax Credits * * *

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

19 § 5930ee. LIMITATIONS

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

1 (1) the total amount of tax credits awarded annually, together with sales
2 tax reallocated under section 9819 of this title, does not exceed ~~\$2,200,000.00~~
3 \$2,400,000.00;

4 * * *

5 * * * Tax Credit for Affordable Housing; Captive Insurance Companies * * *
6 Sec. H.9. 32 V.S.A. § 5930u is amended to read:

7 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

8 (a) As used in this section:

9 * * *

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

15 * * *

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

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* * *

* * * 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 § 1892. CREATION OF DISTRICT

2 * * *

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

8 (1) the City of Burlington, Downtown;

9 (2) the City of Burlington, Waterfront;

10 (3) the Town of Milton, North and South;

11 (4) the City of Newport;

12 (5) the City of Winooski;

13 (6) the Town of Colchester;

14 (7) the Town of Hartford;

15 (8) the City of St. Albans;

16 (9) the City of Barre; ~~and~~

17 (10) the Town of Milton, Town Core; and

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

19 * * *

1 § 1894. POWER AND LIFE OF DISTRICT

2 * * *

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

9 * * *

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

15 * * *

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

17 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT

18 FINANCING DISTRICTS

19 * * *

20 (f) A municipality that establishes a tax increment financing district under
21 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties

1 contained within the district and apply up to 75 percent of the State education
2 property tax increment, and not less than an equal share plus five percent of the
3 municipal tax increment, as defined in 24 V.S.A. § 1896, to repayment of
4 financing of the improvements and related costs for up to 20 years pursuant to
5 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council
6 pursuant to this section, subject to the following:

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

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

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

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

20 (C) If, while the General Assembly is not in session, the Council
21 receives applications for districts that would otherwise qualify for approval

1 but, if approved, would exceed the 14-district limit in the State, the Council
2 shall make one or more presentations to the Emergency Board concerning the
3 applications, and the Emergency Board may, in its discretion, increase the 14-
4 district limit.

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

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

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

14 * * *

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

18 (1) Review each application to determine that the ~~new real property~~
19 proposed infrastructure improvements and the proposed development would
20 not have occurred or would have occurred in a significantly different and less

1 desirable manner but for the proposed utilization of the incremental tax
2 revenues. The review shall take into account:

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

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

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

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

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

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

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

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

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

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

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

4 (C) The development will occur in an area that is economically
5 distressed, which for the purposes of this subdivision means that the ~~area has~~
6 ~~experienced patterns of increasing unemployment, a drop in average wages, or~~
7 ~~a decline in real property values~~ municipality in which the area is located has
8 at least one of the following:

9 (i) a median family income that is not more than 80 percent of the
10 statewide median family income as reported by the Vermont Department of
11 Taxes for the most recent year for which data is available;

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

15 (iii) a median sales price for residential properties under six acres
16 that is not more than 80 percent of the statewide median sales price for
17 residential properties under six acres as reported by the Vermont Department
18 of Taxes.

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

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

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

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

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

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

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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.

* * * Climate Economy Accelerator; H.398 * * *

Sec. K.1. FINDINGS AND PURPOSE

(a) Findings. The General Assembly finds:

(1) Vermont needs to attract and support entrepreneurs, youths, and investors to reinvigorate its economy, today and for the future.

(2) Vermont has a tremendous opportunity to systematically advance economic activity that addresses the challenge of climate change by reducing and mitigating carbon impacts, while spurring innovation and creativity, encouraging entrepreneurship, attracting youths, and building jobs for the future.

(3) Vermont's unique environmental image, strong brand recognition nationally, quality of life, and history of entrepreneurship and invention provides an opportunity to position the State as a premier place to establish new businesses whose mission, products, and services can help society and our economy mitigate the effects of climate change.

1 (4) The goal of quality job creation as part of the State's economic
2 development policy is dependent on providing support for the start-up and
3 expansion of small businesses sectors of our economy.

4 (5) The Vermont Sustainable Jobs Fund, the Vermont Council on Rural
5 Development, and a working group of business, finance, and economic
6 development leaders, are developing the Climate Economy Business
7 Accelerator Program to grow entrepreneurial opportunities and provide a
8 network for businesses to promote their solutions, products, and services that
9 can lead to collaboration and innovation.

10 (6) The Accelerator Program aims to accelerate the creation and growth
11 of entrepreneurs that commercialize business solutions to address the negative
12 impacts of climate change and position our State as the place to come and
13 build businesses that export solutions for a changing climate worldwide.

14 (7) Nationally, business accelerators have led to the growth of new start-
15 up companies, job creation, and enhanced entrepreneurial activity in a region.
16 Most accelerators are located in major cities and throughout Canada. There are
17 over 150 business accelerators in the US at this time.

18 (8) Neither Vermont, nor other New England States, have an accelerator
19 program to support start-up businesses and serve the needs of both rural and
20 urban businesses.

1 (9) In early 2017 a climate change related accelerator will launch in
2 Philadelphia with a focus on technology development related to agriculture and
3 water.

4 (10) The Vermont Sustainable Jobs Fund program was created in 1995 to
5 accelerate the development of Vermont’s green economy. Per its enabling
6 statute, VSJF focuses its development efforts on particular economic sectors by
7 supporting the business assistance and financing needs of businesses in these
8 sectors.

9 (11) To date, the VSJF has concentrated on working with early and
10 growth stage businesses in the green economy, primarily due to a lack of
11 sufficient funding support to work with start-up businesses. Additional funding
12 for VSJF’s Accelerator Program will enable it to fulfil its statutory mission.

13 (12) A State investment of \$150,000.00 of seed funding will leverage an
14 additional \$150,000.00 in private and philanthropic investment in order to
15 carry out this work and boost economic development, innovation, and job
16 creation in the State in fiscal year 2018.

17 (b) Purpose. The purpose of Secs. K.2–K.3 of this act are to create a
18 statutory framework and provide funding necessary to implement the Climate
19 Economy Business Accelerator Program and achieve the following results:

20 (1) Establish a nationally recognized Climate Economy Business
21 Accelerator Program capable of attracting and retaining your entrepreneurs in

1 the state, and in order to position Vermont as a national leader in climate
2 economy business innovation.

3 (2) Secure at least three years of funding to support the existence of the
4 Program.

5 (3) Establish performance indicators that can be used to track progress of
6 Program participants over time, including the amount of investment capital
7 raised and the number of jobs created.

8 **Sec. K.2. 10 V.S.A. § 331 is added to read:**

9 **§ 331. CLIMATE ECONOMY BUSINESS ACCELERATOR PROGRAM**

10 **(a) Definition.** In this section “climate economy” means the work
11 performed by businesses whose products and services are designed to reduce,
12 mitigate, or prepare for the negative impacts of climate change on human
13 systems, including:

14 (1) clean energy development and distribution;

15 (2) thermal and electrical efficiencies in buildings and building
16 construction;

17 (3) evolving public and private transportation systems;

18 (4) energy and efficiency innovations in the working lands economy;

19 (5) recycling, reuse, and renewal of resources; and

20 (6) resilience technologies, such as soil-sensing devices.

1 **(b) Program implementation.** The Vermont Sustainable Jobs Fund shall
2 have the authority to design and implement a Climate Economy Business
3 Accelerator Program as follows:

4 (1) Assemble a team of experienced program partners, mentors,
5 investors, and business content providers to design and deliver a high quality
6 experience to Accelerator Program cohort participants.

7 (2) Recruit and select a cohort of at least 10 start-up and early stage
8 businesses to participate together in a three to four month intensive program of
9 training, mentoring, and investment opportunities.

10 (3) Assist cohort members in clarifying the market for their product,
11 evaluating the needs of their management team, defining their business model,
12 and articulating their unique value, and securing needed investment capital.

13 (4) Develop an evaluation and metrics capture process compatible with
14 Results Based Accountability and begin tracking results.

15 (5) Develop a network of climate economy related businesses to work
16 along-side the Accelerator Program in order to connect cohort members with
17 the business community to spark business-to-business collaboration, stimulate
18 additional sector job growth, and provide on-going support as their businesses
19 mature.

1 purpose of which shall be to align educational opportunities with job
2 opportunities in Vermont.

3 * * * Opportunity Economy; Microbusiness Development; Individual
4 Development Accounts; Job Training; H.480 * * *

5 Sec. M.1. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS;
6 APPROPRIATION

7 (a) Findings. The General Assembly finds:

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

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

14 (3) Each year the Program:

15 (A) enables the creation or expansion of an average of 145 businesses
16 across Vermont;

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

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

19 (4) The average cost per job created through the Program is less than
20 \$3,600.00.

1 (b) Intent. Current base funding for the Program is \$300,000.00, and it is
2 the intent of the General Assembly to provide total funding for the Program in
3 fiscal year 2018 of \$500,000.00.

4 ~~(c) Appropriation. In fiscal year 2018, in addition to any other amounts~~
5 ~~appropriated, the amount of \$200,000.00 is appropriated from the General~~
6 ~~Fund to the Office of Economic Opportunity for pass through grants to the~~
7 ~~Community Action Agencies to restore and increase funding for the regional~~
8 ~~Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.~~

9 Sec. M.2. INDIVIDUAL DEVELOPMENT SAVINGS PROGRAM;

10 FINDINGS; APPROPRIATION

11 (a) Findings. The General Assembly finds:

12 (1) The Individual Development Savings Program in the Agency of
13 Human Services offers a matched savings and financial education program that
14 helps Vermonters with low income invest in their future by enabling them to
15 build financial assets.

16 (2) Backed by federal dollars leveraged by State funds, participants
17 save, and have their savings matched 2-to-1, to purchase a home, pay tuition
18 for training or postsecondary education, or start a business.

19 (3) Since its inception in 1997:

20 (A) The Program has served 1,335 households.

1 (B) 912 Vermonters have completed their savings period and
2 invested \$2.5 million in their futures, much of which has helped support their
3 local economy.

4 (C) 524 participants have invested in businesses, 207 in education,
5 and 181 in first-time home ownership.

6 (b) Intent. Current base funding for the Program is \$135,300.00, and it is
7 the intent of the General Assembly to provide total funding for the Program in
8 fiscal year 2018 of \$250,000.00 in order to assist Vermonters with low income
9 to build their financial assets and achieve economic independence.

10 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
11 appropriated, the amount of \$114,700.00 is appropriated from the General
12 Fund to the Individual Development Matching Grant Special Fund to provide
13 matching funds through the Individual Development Savings Program
14 pursuant to 33 V.S.A. § 1123.

15 Sec. M.3. WORKFORCE DEVELOPMENT AND TRAINING; FINDINGS;

16 APPROPRIATION

17 (a) Findings. The General Assembly finds:

18 (1) The Vermont Community Action Agencies offer a variety of
19 workforce development and training initiatives that:

20 (A) address persistent barriers to employment faced by disadvantaged
21 workers with no, little, or unsuccessful work experience; and

1 (B) build career competencies, including:

2 (i) job-seeking skills;

3 (ii) computer literacy;

4 (iii) problem solving and decision making;

5 (iv) interpersonal communication;

6 (v) personal qualities; and

7 (vi) customer service.

8 (2) Specific examples of training programs include:

9 (A) job readiness programs for at-risk youths to obtain their first
10 jobs;

11 (B) life and workplace skills training for incarcerated persons who
12 are reentering the workforce upon release;

13 (C) GED preparation, comprehensive job coaching, and group
14 worksites at parent-child centers;

15 (D) transportation assistance to individuals to enable them to prepare
16 for and attain employment; and

17 (E) skills development, career readiness, and job placement training
18 for underemployed and unemployed Vermonters for food service industry
19 careers.

20 (b) It is the intent of the General Assembly to provide sufficient funding for
21 workforce development and training for Vermonters with low income, in order

1 to increase access to the workforce and ensure a supply of job-ready,
2 dependable workers to enable Vermont employers to maintain and expand
3 their businesses.

4 (e) Appropriation. In fiscal year 2018, in addition to any other amounts
5 appropriated, the amount of \$250,000.00 is appropriated from the General
6 Fund to the Agency of Human Services for pass through grants to the
7 Community Action Agencies to fund and expand access to existing workforce
8 development and training services.

9 Sec. M.4. FINANCIAL EDUCATION, COACHING, AND

10 CREDIT-BUILDING SERVICES; FINDINGS; APPROPRIATION

11 (a) Findings. The General Assembly finds:

12 (1) To overcome barriers to financial security, “Financial Capability”
13 education and coaching services empower people to stabilize their finances, set
14 goals and work to achieve them, and sustain successful financial behaviors
15 over time.

16 (2) The knowledge and skills gained by Vermonters with low income
17 enable them better to manage scarce resources, repair or build credit, and
18 establish or strengthen connections to financial institutions.

19 (3) Recent studies show that 10 hours of financial education can yield a
20 savings of \$1,390.00 per year for participants, a substantial sum for families
21 living in poverty.

1 (4) Additionally, a recent national study found that 58 percent of
2 individuals with low-to-moderate income receiving financial coaching and
3 credit-building services had their credit score increase as a result.

4 (5) These services in Vermont can and have been customized to meet
5 the particular needs of families participating in Reach Up.

6 (b) It is the intent of the General Assembly to provide sufficient funding to
7 the Community Action Agencies to cover the cost of existing financial
8 education, coaching, and credit-building services, and to enable more
9 Vermonters with low income to access these services.

10 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
11 appropriated, the amount of \$200,000.00 is appropriated from the General
12 Fund to the Agency of Human Services for pass-through grants to the
13 Community Action Agencies to provide financial education, coaching, and
14 credit-building services to Vermonters with low income.

15 Sec. M.5. VERMONT MATCHED SAVINGS ACCOUNT PROGRAM;

16 APPROPRIATION

17 (a) Findings. The General Assembly finds:

18 (1) The Individual Development Savings Program established in
19 33 V.S.A. § 1123, which offers a matched savings and financial education
20 program, has helped Vermonters with low income invest in their futures by
21 enabling them to build financial assets.

1 (2) Because the Individual Development Savings Program is funded in
2 part by the federal government, it is subject to certain legal restrictions,
3 including federal limitations on the purpose of expenditures from individual
4 development accounts for eligible uses relating to first-time home ownership,
5 education, or entrepreneurial activity.

6 (3) An independent evaluation of individual development accounts in
7 Massachusetts found that every dollar of state funding resulted in savers
8 accumulating \$64.32 in assets, and local government collected an additional
9 \$0.43 in property taxes.

10 (4) Building on the model of the Individual Development Savings
11 Program, Vermonters with low income would benefit from a Vermont
12 Matched Savings Account Program that would provide financial education and
13 coaching, as well as matching funds for an expanded number of eligible
14 expenditures, including vehicle purchase or repair, home repair, paying down
15 debt, dental care, creating an emergency fund, and expenses that support
16 employment or housing success.

17 (b) Intent. It is the intent of the General Assembly to ~~establish~~ ~~authorize~~ a
18 Vermont Matched Savings Account Program ~~with State funds~~ in order to
19 provide financial education and coaching, as well as to match the savings of
20 Vermonters with low income for eligible uses.

1 ~~(c) Appropriation. In fiscal year 2018 the amount of \$150,000.00 is~~
2 ~~appropriated from the General Fund to the Agency of Human Services to~~
3 ~~create a Vermont Matched Savings Account Program pursuant to 33 V.S.A.~~
4 ~~§ 1124.~~

5 Sec. M.6. 33 V.S.A. § 1124 is added to read:

6 § 1124. VERMONT MATCHED SAVINGS ACCOUNT PROGRAM

7 (a) As used in this section:

8 (1) “Agency” means the Agency of Human Services.

9 (2) “Approved expanded account program” means a program approved
10 by the Agency and administered by a service provider.

11 (3) “Approved savings plan” means a plan, approved by the service
12 provider and agreed to by the saver, that defines savings goals, program
13 requirements, and anticipated uses of the savings and matching funds.

14 (4) “Eligible use” means a use of funds approved by a service provider
15 and agreed to by a saver that will result in a long-term benefit to the saver’s
16 personal well-being and financial circumstances, including the purchase or
17 repair of a vehicle, home repair, paying down a debt obligation, dental care,
18 establishing an emergency fund, or investing in tools or training that support
19 employment or housing.

20 (5) “Expanded Individual Development Account” or “expanded
21 account” means a savings account that is held in an insured financial institution

1 that is maintained by the saver as part of an approved account program and an
2 approved savings plan.

3 (6) “Financial institution” means any insured federally chartered or
4 State-chartered bank, bank and trust company, savings bank, savings and loan
5 association, trust company, or credit union, approved by the service provider
6 for the establishment of an expanded account.

7 (7) “Fund” means the Vermont Matched Savings Account Program
8 Special Fund **established authorized** by this section.

9 (8) “Minimum savings amount” means the minimum amount of the
10 saver’s earnings established in the approved savings plan that the saver must
11 deposit in order to be eligible for matching funds.

12 (9) “Program” means the Vermont Matched Savings Account Program
13 **established authorized** by this section.

14 (10) “Public assistance” means financial assistance provided by the
15 Reach Up program or by a separate State program established under the
16 authority of section 1121 of this title.

17 (11) “Saver” means an individual who is 18 years of age or older, or an
18 individual who is under 18 years of age if the account is held in the name of a
19 parent or caretaker of the saver, or a family group:

20 (A) who resides in this State;

21 (B) who has applied for and been enrolled in the Program;

1 (C) whose household income at the time of application is within the
2 applicable financial eligibility standards:

3 (i) to receive public assistance;

4 (ii) to claim the federal earned income credit, without regard to
5 any age limitation; or

6 (iii) to participate in a federal savings program administered
7 pursuant to this section; and

8 (D) whose net worth as of the calendar year preceding the
9 determination of eligibility does not exceed \$10,000.00, excluding the primary
10 dwelling unit, one motor vehicle owned by members of the saver’s family in a
11 one-parent family or two motor vehicles owned by members of the saver’s
12 family in a two-parent family, and the tools of the saver’s trade that do not
13 exceed \$10,000.00 in value and that are necessary to continue or seek
14 employment.

15 (12) “Service provider” means a nonprofit organization approved by the
16 Agency that encourages and assists local community-based human services
17 development and that is an organization described in Section 501(c)(3) of the
18 U.S. Internal Revenue Code which is exempt from taxation under Section
19 501(a) of the Code.

1 **(b) The Agency shall have the authority to** establish by rule standards and
2 procedures to implement and administer the Program, consistent with the
3 following:

4 (1) An applicant shall apply to a service provider for a determination of
5 eligibility for enrollment in the Program.

6 (2)(A) The service provider shall develop an approved savings plan with
7 each saver who has been determined eligible and has enrolled in the Program.

8 (B) The approved savings plan shall specify a minimum savings
9 amount to be saved and the frequency of deposits to be made by the saver to
10 the savings account during the duration of the plan.

11 (C) The plan shall limit the maximum amount of savings that is the
12 basis for receipt of matching funds to not more than \$500.00 per saver, per
13 calendar year and \$1,000.00 per family, per calendar year and to not more than
14 \$2,000.00 per lifetime of the saver and \$4,000.00 per lifetime of members of a
15 family.

16 (D) The application and plan shall be prepared on forms provided
17 and approved by the service provider.

18 (E) The plan shall be a contract between the saver and the service
19 provider.

1 (3) The enrolled saver shall complete a financial management training
2 program approved by the Agency and provided by or through the service
3 provider.

4 (4)(A) An enrolled saver shall open an account in a financial institution
5 that has been approved by the service provider as a depository for the saver's
6 contributions.

7 (B) The saver and the service provider shall own the account,
8 including interest earned, jointly, with the saver as primary owner.

9 (5) An enrolled saver with an approved plan and account monitored by a
10 service provider shall comply with the requirements of the plan for not less
11 than one year, but not more than five years, in order to be eligible for matching
12 fund grants.

13 (6)(A) In order to obtain matching funds, the saver shall present
14 evidence satisfactory to the service provider that the amount to be withdrawn
15 will be expended only for an eligible use.

16 (B) A withdrawal from an account for an eligible use shall be made
17 payable to the person who provides the eligible use.

18 (C) The Agency shall pay matching funds only to the person that
19 provides the eligible use and not directly to the saver.

20 (7)(A) The service provider may terminate an approved savings plan for
21 a saver who fails to meet the savings goals set out in the approved plan or who

1 withdraws from the Program, in accordance with standards and procedures
2 established by rule by the Agency.

3 (B) Any funds contributed by the saver shall revert to the sole
4 ownership of the saver, to be used by the saver for any purpose.

5 (8) The Agency shall monitor Program participation, and shall limit
6 additional Program participation when the funds appropriated to carry out the
7 purposes of this section are not sufficient to support additional approved
8 savings plans.

9 (9) The Agency shall establish by rule any other standards and
10 procedures necessary or desirable to implement the Program, including
11 minimum requirements for approval of savings plans, criteria for training and
12 counseling, reporting requirements for participating financial institutions, and
13 matching-fund allocation standards.

14 (c)(1) The Vermont Matched Savings Account Program Special Fund is
15 established in the State Treasury and shall be administered by the Agency in
16 accordance with the provisions of 32 V.S.A. chapter 7, subchapter 5, except
17 that interest earned on the Fund shall be retained in the Fund.

18 (2) The Fund shall consist of the proceeds from grants, donations,
19 contributions, appropriations, and any other revenue authorized by law.

1 (3) The Agency shall use the Fund only for the purpose of providing
2 matching funds for the Program and to provide grants to service providers for
3 expenses of administering the Program.

4 (d)(1) The Agency may make grants from the Fund to service providers to
5 provide the match for approved savings plans with enrolled savers.

6 (2) The Agency shall calculate the amount and number of grants
7 quarterly, based on the number of savers and the amounts included in their
8 approved plans administered by each service provider, to ensure that payment
9 of the maximum match is made for all savers for the period for the approved
10 savings plans, without exceeding the balance in the Fund.

11 (3) The Agency may award grants from the Fund to service providers to
12 cover their expenses of training and counseling savers and to implement and
13 administer the Program.

14 (4) The Agency may approve the use of interest earnings on grant funds
15 as a portion of approved administrative costs.

16 (e) The Agency and service providers, separately or cooperatively, may
17 solicit grants and private contributions for the Fund.

1 Sec. M.7. VOLUNTEER INCOME TAX ASSISTANCE PROGRAM;

2 APPROPRIATION

3 (a) Findings. The General Assembly finds:

4 (1) The Volunteer Income Tax Assistance Program offers free tax
5 preparation for anyone with an annual income of less than \$54,000.00.

6 (2) In fiscal year 2016, the Vermont Community Action Agencies
7 completed 3,536 federal returns and 3,544 State returns and provided
8 assistance with the Vermont Renter’s Rebate application and Homestead
9 Declaration.

10 (3) The Program has a 94 percent accuracy rate—higher than any other
11 tax preparation service.

12 (4) The total refunds and tax credits brought \$4.6 million back into the
13 State’s economy and helped stabilize households of Vermonters with low
14 income.

15 (b) Intent. It is the intent of the General Assembly to provide \$100,000.00
16 in State funding to the Volunteer Income Tax Assistance Program to leverage
17 \$51,540.00 in federal funding in order to sustain and expand access to the
18 Program for Vermonters with low income.

19 (c) Appropriations. In fiscal year 2018, in addition to any other amounts
20 appropriated, the amount of \$100,000.00 is appropriated from the General
21 Fund to the Agency of Human Services for pass through grants to the

1 Community Action Agencies to sustain and expand access to the Volunteer
2 Income Tax Assistance Program.

3 Sec. X.1. EFFECTIVE DATES

4 (a) This section, Sec. B.1 (rural economic development infrastructure
5 districts), and Secs. J.1–J.3 (tax increment financing districts) shall take effect
6 on passage.

7 (b) The remaining sections shall take effect on July 1, 2017.

8

9

10 (Committee vote: _____)

11

12

Representative _____

13

FOR THE COMMITTEE