

**S.34. An Act Relating to Cross Promoting Development Incentives and State Policy Goals**  
Section by Section Summary

**Overview**

S.34 amends or adds multiple provisions intended to enhance economic development in the small towns and rural areas of the State.

**Sections 1 and 2. Rural Economic Development Initiative. 10 V.S.A. ch. 15, subchapter 4**

- Section 1 establishes a Rural Economic Development Initiative at VHCB to promote and facilitate community economic development in small towns and rural areas.
  - Sec. 1 defines “small town” and “rural area” based on U.S. Census Bureau data or criteria.
- Under the initiative, VHCB shall seek funding and other assistance to facilitate businesses development in small towns and rural area.
- VHCB also shall provide towns and businesses with technical assistance in completing grant applications and managing grant requirements.
- Section 2 expresses the intent of the General Assembly to make funding available to VHCB to implement and administer the Rural Economic Development Initiative.
  - If VHCB is funded, it will likely implement the initiative by contracting for services.

**Section 3. Executive Branch Cross Promotion of Financing Programs**

- This section directs the Executive Branch to cross promote priority State policies, such as water quality funding and rural economic development, in administration of the multiple State loan, grant, and incentive programs administered by the State.
- This section would also direct the Executive Branch to cross promote the availability of financial and technical assistance in education and outreach materials provided to the public

**Sec. 4. Report; energy efficiency charge; commercial and industrial customers**

- This section requires the Commissioner of Public Service to submit a report by Jan. 15, 2018 on two items regarding the energy efficiency charge (EEC) and commercial and industrial customers:
  - whether and how to increase the use by those customers of self-administered efficiency programs; and
  - the potential establishment of a multi-year pilot program under which each customer within a group of commercial and industrial customers would receive the full amount of the customer’s EEC in services and incentives from the energy efficiency utility related to the customer’s total energy consumption

**Sec. 5. 30 V.S.A. § 209(d)(3); energy efficiency charge**

- This section amends the statute authorizing the Public Service Board to adopt the EEC to require that the Board give due consideration to existing statutes on State energy policy, including maintaining and enhancing the State’s economic vitality.

### **Section 6. Environmental Permitting. 3 V.S.A. § 2822**

- Requires ANR to report to the General Assembly with a recommendation for reducing or eliminating the air contaminant fee paid by farmers for emissions from anaerobic digesters.
- Digesters have been in use in the State for over a decade, but only two years ago ANR decided to start imposing a fee on emissions from digesters.
- The fee is significant and was not part of farmers' investment decision to operate digesters.

### **Section 7. Phosphorus Removal Financial Assistance. 6 V.S.A. § 4828**

- Amends the Agency of Agriculture capital assistance program to specify that capital equipment for the separation of phosphorus from manure shall be eligible for the program.
- The section also provides that if funded, a phosphorus removal project would have a cost share of 10% and a maximum award of \$300,000.
  - 10% cost share is the cost share for other Agency of Agriculture water quality grants.
- Estimated cost: None to negligible; program and funding already exist.

### **Section 8. Sales Tax Exemption. Forestry Equipment. Report**

- Requires the Department of Taxes to recommend to the General Assembly legislation to exempt forestry harvesting and processing equipment from the sales and use tax.
- Vermont is the only New England state that does not exempt this equipment from sales tax.

### **Section 9. Workers' Compensation; High Risk Injuries Study**

- Requires the Commissioner of Financial Regulation to study ways to reduce the workers' compensation premium rates and costs for occupations that experience a high risk of workplace injuries and whose workers' compensation insurance is characterized by high premiums and a small policyholder pool.
- The study shall address specific industries including: logging, roofers, arborists, and wood manufacturing operations.
- The Commissioner shall submit to the General Assembly recommendations for legislative action to address the issue.

### **Section 10. Repeal**

- This section sunsets the Rural Economic Development initiative and the phosphorus removal grants on July 1, 2023.
- The programs are being repealed so that there will be a need for the General Assembly to review their implementation if they are to continue.

### **Section 11. Effective Dates**

- The act takes effect July 1, 2017.