

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

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

6 (A) would not occur; or

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

9 * * *

10 § 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING
11 LABOR MARKET AREA

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

14 (1) the average annual unemployment rate is greater than the average
15 annual unemployment rate for the State; or

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

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

20 (1) \$1,500,000.00 for one or more initial approvals; and

21 (2) \$1,000,000.00 for one or more final approvals.

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

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

6 * * *

7 § 3338. CLAIMING AN INCENTIVE; ANNUAL FILING WITH
8 DEPARTMENT OF TAXES

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

12 (b) A business shall include:

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

18 (2) a self-certification or other documentation the Department requires
19 by rule or procedure, by which the business attests to the best of its knowledge
20 that:

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 (2) For purposes of this section, the Department of Taxes may use any
2 enforcement or collection action available for taxes owed pursuant to chapter
3 151 of this title.

4 * * *

5 § 3341. CONFIDENTIALITY OF ~~PROPRIETARY~~ BUSINESS
6 INFORMATION

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

10 ~~(b) Information~~ Except for information required to be reported under
11 section 3340 of this title or as provided in this section, information and
12 materials submitted by a business concerning its income taxes and other
13 confidential financial information shall not be subject to public disclosure
14 under the State's public records law in 1 V.S.A. chapter 5, but shall be to the
15 Vermont Economic Progress Council, or business-specific data generated by
16 the Council as part of its consideration of an application under this subchapter,
17 that is not otherwise publicly disclosed, is exempt from public inspection and
18 copying under the Public Records Act and shall be kept confidential. Records
19 related to incentive claims under this chapter that are produced or acquired by
20 the Department of Taxes are confidential returns or return information and are
21 subject to the provisions of section 3102 of this title.

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

3 **(A)** to the Joint Fiscal Office or its agent upon authorization of the
4 Joint Fiscal Committee or a standing committee of the General Assembly, ~~and~~
5 ~~shall also be available; and~~

6 **(B)** to the Auditor of Accounts in connection with the performance of
7 duties under section 163 of this title; ~~provided, however, that the~~

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

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

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*** VEGI; Confidentiality ***

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

§ 3102. CONFIDENTIALITY OF TAX RECORDS

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

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

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

(6) to the Vermont Economic Progress Council, provided that the 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 underresourced 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, quorum requirements, and manner of appointing members
5 to the permanent governing board. The bylaws shall require that a majority of
6 the board shall be appointed annually by the legislative bodies of the
7 underlying municipalities. Board members shall serve staggered, three-year
8 terms, and shall be eligible to serve successive terms. The legislative bodies of
9 the municipalities in which the district is located shall fill board vacancies, and
10 may remove board members at will. Any bylaws developed by the governing
11 board under this subsection shall be submitted for approval to the legislative
12 bodies of the municipalities within the district and shall be considered duly
13 adopted 45 days from the date of submission, provided none of the legislative
14 bodies disapprove of the bylaws.

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

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

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

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

19 § 5705. OFFICERS

20 (a) Generally. The district shall elect at its first meeting and at each annual
21 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.

1 § 5707. COMMITTEES

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

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

7 § 5708. DISTRICT POWERS

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

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

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

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

20 (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;

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

1 (21) make, establish, alter, amend, or repeal ordinances, regulations, and
2 bylaws relating to matters contained in this chapter and not inconsistent with
3 law.

4 § 5709. DISSOLUTION

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

- 1 (b) The plan of dissolution shall:
- 2 (1) identify and value all unencumbered assets;
- 3 (2) identify and value all encumbered assets;
- 4 (3) identify all creditors and the nature or amount of all liabilities and
5 obligations;
- 6 (4) identify all obligations under long-term contracts and contracts
7 subject to annual appropriation;
- 8 (5) specify the means by which assets of the district shall be liquidated
9 and all liabilities and obligations paid and discharged, or adequate provision
10 made for the satisfaction of them;
- 11 (6) specify the means by which any assets remaining after discharge of
12 all liabilities shall be liquidated if necessary; and
- 13 (7) specify that any assets remaining after payment of all liabilities shall
14 be apportioned and distributed among the district members according to a
15 formula based upon population.
- 16 (c) When the plan of dissolution has been implemented, the board shall
17 adopt a resolution certifying that fact to the district members whereupon the
18 district shall be terminated, and notice thereof shall be delivered to the
19 Secretary of the Senate and the Clerk of the House of Representatives in
20 anticipation of confirmation of dissolution by the General Assembly.

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* * * Public Retirement * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (c) The Plan shall:

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

16 (A) employers:

17 (i) with 50 employees or fewer; and

18 (ii) who do not currently offer a retirement plan to their

19 employees; and

1 (B) self-employed individuals;

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

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

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

8 (5) be overseen by a board:

9 (A) that shall:

10 (i) set program terms;

11 (ii) prepare and design plan documents; and

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

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

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

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

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

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

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

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

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

9 (C) that shall, on or before January 15, 2020, and every year
10 thereafter, report to the House and Senate Committees on Government
11 Operations concerning the Green Mountain Secure Retirement Plan, including:

12 (i) the number of employers and self-employed individuals
13 participating in the plan;

14 (ii) the total number of individuals participating in the plan;

15 (iii) the number of employers and self-employed individuals who
16 are eligible to participate in the plan but who do not participate;

17 (iv) the number of employers and self-employed individuals, and
18 the number of employees of participating employers, who have ended their
19 participation during the preceding twelve months;

20 (v) the total amount of funds contributed to the Plan during the
21 preceding twelve months;

1 (vi) the total amount of funds withdrawn from the Plan during the
2 preceding twelve months;

3 (vii) the total funds or assets under management by the Plan;

4 (viii) the average return during the preceding twelve months;

5 (ix) the costs of administering the Plan;

6 (x) the Board’s assessment concerning whether the Plan is
7 sustainable and viable;

8 (xi) once the marketplace is established:

9 (I) the number of individuals participating;

10 (II) the number and nature of plans offered; and

11 (III) the Board’s process and criteria for vetting plans; and

12 (xii) any other information the Board considers relevant, or that
13 the Committee requests.

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

19 (d) The State of Vermont shall implement the “Green Mountain Secure
20 Retirement Plan” on or before January 15, 2019, based on the

1 recommendations of the Public Retirement Plan Study Committee as set forth
2 in Sec. F.1 of 2016 Acts and Resolves, No. 157.

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

4 Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF
5 ESTABLISHING A PUBLIC RETIREMENT PLAN

6 (a) Creation of Committee.

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

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

16 (b) Membership.

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

19 (A) the State Treasurer or designee;

20 (B) the Commissioner of Labor or designee;

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

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

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

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

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

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

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

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

3 (c) Powers and duties.

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

9 (i) ~~the access Vermont residents currently have to employer-~~
10 ~~sponsored retirement plans and the types of employer-sponsored retirement~~
11 ~~plans;~~

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

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

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

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

- 1 ~~(vi) whether there is a need for a public retirement plan~~
2 ~~in Vermont;~~
- 3 ~~(vii) whether a public retirement plan would be feasible and~~
4 ~~effective in providing for a financially secure retirement for Vermont residents;~~
- 5 ~~(viii) other programs or incentives the State could pursue in~~
6 ~~combination with a public retirement plan, or instead of such a plan, in order to~~
7 ~~encourage residents to save and prepare for retirement; and be available on a~~
8 ~~voluntary basis to:~~
- 9 (I) employers:
- 10 (aa) with 50 employees or fewer; and
- 11 (bb) who do not currently offer a retirement plan to their
12 employees; and
- 13 (II) self-employed individuals;
- 14 (ii) automatically enroll all employees of employers who choose
15 to participate in the MEP;
- 16 (iii) allow employees the option of withdrawing their enrollment
17 and ending their participation in the MEP;
- 18 (iv) be funded by employee contributions with an option for future
19 voluntary employer contributions; and
- 20 (v) be overseen by a board that shall:
- 21 (I) set programs terms;

1 (II) prepare and design plan documents; and
2 (III) be authorized to appoint an administrator to assist in the
3 selection of investments, managers, custodians, and other support services.

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

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

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

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

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

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

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

5 (iii) if after three years there remain significant numbers of
6 Vermonters who are not covered by a retirement plan, methods to increase
7 participation in the MEP; and

8 (iv) any other issue the Committee deems relevant.

9 (2) The Committee shall:

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

13 (B) further analyze the relationship between the role of states and the
14 federal government; and

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

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

20 (d) Report. On or before January 15, 2018, the Committee shall report to
21 the General Assembly its findings and ~~any~~ recommendations ~~for legislative~~

1 ~~action.~~ In its report, the Committee shall state its findings as to every factor set
2 forth in ~~subdivision~~ subdivisions (c)(1)(A) ~~of this section, whether it~~
3 ~~recommends that a public retirement plan be created, and the reasons for that~~
4 ~~recommendation. If the Committee recommends that a public retirement plan~~
5 ~~be created, the Committee's report shall include specific recommendations as~~
6 ~~to the factors listed in subdivision~~ and (c)(1)(B) of this section.

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

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

15 * * * Workers' Compensation; VOSHA * * *

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

17 § 210. PENALTIES

18 (a) Upon issuance of a citation under this chapter, the Review Board is
19 authorized to assess civil penalties for grounds provided in this subsection. In
20 assessing civil penalties, the Review Board shall follow to the degree
21 practicable the federal procedures prescribed in rules ~~promulgated~~ adopted

1 under the Act. The Review Board shall give due consideration to the
2 appropriateness of the penalty with respect to the size of the business or
3 operation of the employer being assessed, the gravity of the violation, the good
4 faith of the employer, and the history of previous violations. Civil penalties
5 shall be paid to the Commissioner for deposit with the State Treasurer, and
6 may be recovered in a civil action in the name of the State of Vermont brought
7 in any court of competent jurisdiction. The Commissioner shall not reduce the
8 assessed penalties in any fiscal year by more than 50 percent.

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

14 (2) Any employer who has received a citation for a serious violation of
15 the requirements of this Code, or any standard, or rule adopted, or order
16 ~~promulgated~~ issued pursuant to this Code, ~~or of any regulations prescribed~~
17 ~~pursuant to this Code~~, shall be assessed a civil penalty of up to ~~\$7,000.00~~
18 \$12,675.00 for each violation.

19 (3) Any employer who has received a citation for a violation of the
20 requirements of this Code, or any standard, or rule adopted, or order
21 ~~promulgated~~ issued pursuant to this Code ~~or of regulations prescribed pursuant~~

1 ~~to this Code, and such violation~~ if the violation is specifically determined not
2 to be of a serious nature, may be assessed a civil penalty of up to ~~\$7,000.00~~
3 \$12,675.00 for each such violation.

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

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

16 * * *

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

20 (9)(A) As provided under the federal Civil Penalties Inflation
21 Adjustment Act Improvements Act of 2015 and the Act, the penalties provided

1 in subdivisions (1), (2), (3), (4), (5), and (8) of this subsection shall annually,
2 on January 1, be adjusted to reflect the increase in the Consumer Price Index,
3 CPI-U, U.S. City Average, not seasonally adjusted, as calculated by the U.S.
4 Department of Labor or successor agency for the 12 months preceding the
5 previous December 1.

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

9 * * *

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

11 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

12 (a) A Workers' Compensation Administration Fund is created pursuant to
13 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the
14 administration of the workers' compensation and occupational disease
15 programs. The Fund shall consist of contributions from employers made at a
16 rate of ~~1.75~~ 1.4 percent of the direct calendar year premium for workers'
17 compensation insurance, one percent of self-insured workers' compensation
18 losses, and one percent of workers' compensation losses of corporations
19 approved under this chapter. Disbursements from the Fund shall be on
20 warrants drawn by the Commissioner of Finance and Management in
21 anticipation of receipts authorized by this section.

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* * * Workforce Development; Career 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
responsibility for the coordination of workforce education and training within
State government, including the following duties:

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

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

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

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

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

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

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

8 (G) design and implement criteria and performance measures for
9 workforce education and training activities; and

10 (H) establish goals for the integrated workforce education and
11 training system.

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

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

18 (B) amount of funding;

19 (C) activities and training provided;

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

1 (E) employment status of trainees; and

2 (F) future needs for resources.

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

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

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

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

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

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

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

2 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT
3 PROGRAMS

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

7 (b) Purposes. The Department shall use the Fund for the following
8 purposes:

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

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

13 (3) apprenticeship, preapprenticeship, and industry-recognized
14 credential training; and

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

17 (c) Administrative and other support. The Department of Labor shall
18 provide administrative support for the grant award process. When appropriate
19 and reasonable, the State Workforce ~~Investment~~ Development Board and all
20 other public entities involved in economic development and workforce
21 education and training shall provide other support in the process.

1 (d) Eligible activities.

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

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

10 (B) employ student-oriented approaches to workforce education and
11 training; and

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

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

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

19 (e) [Repealed].

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

4 (1) Training Programs.

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

8 (i) train workers for trades or occupations that are expected to lead
9 to jobs paying at least 200 percent of the current minimum wage or at least
10 150 percent if benefits are included; this requirement may be waived when
11 warranted based on regional or occupational wages or economic reality;

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

14 (iii) provide a project timeline, including performance goals, and
15 identify how the effectiveness and outcomes of the program will be measured,
16 including for the individual participants, the employers, and the program as a
17 whole; and

18 (iv) articulate the need for the training and the direct connection
19 between the training and the job.

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

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

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

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

11 (iv) in the discretion of the Commissioner, otherwise serve the
12 purposes of this chapter.

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

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

1 (4) Career Focus and Planning programs. In collaboration with the
2 Agency of Education, funding for one or more programs that institute career
3 training and planning for young Vermonters, beginning in middle school.

4 Sec. E.3. 3. V.S.A. § 2703 is added to read:

5 § 2703. CAREER PATHWAYS COORDINATOR

6 (a) The Secretary of Administration shall have the authority to create the
7 position of Career Pathways Coordinator within the Agency of Education.

8 (b) The Career Pathways Coordinator shall work under the direction of the
9 State Director for Career Technical Education, and his or her duties shall
10 include the following:

11 (1) serve as the inter-agency point person for the development of a
12 State-approved Career Pathways System;

13 (2) convene stakeholders across the Department of Labor, the Agency of
14 Commerce and Community Development, Agency of Education, Agency of
15 Human Services, the Statewide Workforce Development Board, Career
16 Technical Education, employers, postsecondary partners and related entities in
17 order to create a series Career Pathways;

18 (3) curriculum development, stakeholder engagement, process
19 documentation, and identification of key performance indicators, outcomes
20 collection and reporting;

1 (4) engage statewide education, employer, and workforce organizations
2 to co-develop statewide career pathways models and exemplars;

3 (5) identify target populations and entry points;

4 (6) review and develop competency models, required skill sets, and
5 appropriate credentials at each step of a career pathway, in partnership with
6 business and industry representatives;

7 (7) coordinate employer validation of competencies and pathways;

8 (8) develop targeted career ladders and lattices, including stackable
9 skills and industry-recognized credentials;

10 (9) work with CTE Directors to design and endorse elements of Career
11 Pathways;

12 (10) use labor market information and other relevant data to identify
13 critical Career Pathways for the State; and

14 (11) advise the Career Technical Education Director on the funding,
15 governance, and access to career technical education in Vermont.

16 * * * Heating Fuel and Service Workforce Training Pilot Project * * *

17 Sec. E.4. HEATING FUEL AND SERVICE WORKFORCE TRAINING

18 PILOT PROJECT

19 (a) Findings and purpose.

1 (1) Vermont’s heating fuel and heating service companies provide high-
2 skill, high-demand jobs, many of which do not require a college degree but pay
3 over \$20 per hour and include benefits.

4 (2) Vermont’s heating fuel and heating service companies have a
5 significant need for new employees. More than two-thirds of these companies
6 report that there is a lack of qualified applicants for heating technician jobs,
7 and more than half report a lack of qualified drivers.

8 (3) The purpose of this section is to create a partnership between the
9 State and the industry to identify prospective employees, provide them with
10 training and skills necessary for currently available jobs, and provide
11 employers with a skilled workforce.

12 (b) The Department of Labor, in collaboration with the regional Career
13 Technical Education and Training Centers and the Vermont Fuel Dealers
14 Association, shall establish a Heating Fuel and Service Workforce Training
15 Pilot Project, consistent with the following:

16 (1) The Department, CTE Centers, Adult Technical Education
17 Providers, and the Association shall:

18 (A) advertise the availability of workforce training in the field of
19 heating fuel and service;

1 (B) organize informational sessions, meetings, and other group and
2 individual opportunities for prospective trainees and interested heating and fuel
3 service companies to connect; and

4 (C) coordinate matches between trainees and employers.

5 (2) In the event of a successful match, the Department shall facilitate the
6 negotiation and execution of training and employment agreements, pursuant to
7 which:

8 (A) a prospective trainee agrees to pursue specified training,
9 education, or certification necessary to meet the employer’s workforce need;

10 (B) the Department agrees to provide educational and administrative
11 support to the trainee and 50 percent of the cost of training; and

12 (C) the employer agrees to provide 50 percent of the cost of training
13 and to employ the trainee upon the successful completion of training, passage
14 of an examination, attainment of a required certification, or a combination of
15 these.

16 (3) The Association, in collaboration with the CTE Centers and subject
17 to approval by the Department, shall provide education and training that meet
18 the needs of trainees and employers.

19 (c) The Department shall have the authority to use available private, State,
20 and federal funding to implement the provisions of this section.

1 (d) On or before January 15, 2018, the Department shall submit a report to
2 the Senate Committee on Economic Development, Housing and General
3 Affairs and the House Committee on Commerce and Economic Development
4 addressing the implementation of this section, the profile of trainees and
5 employers that participated, and any recommendations for further action.

6 * * * CTE Dual Enrollment; H.391 * * *

7 Sec. E.5. CTE DUAL ENROLLMENT MEMORANDA OF
8 UNDERSTANDING

9 (a) Intent. The intent of this act is to expand the recognition of academic
10 and technical course work completed by students in CTE programs by the
11 University of Vermont and the Vermont State Colleges.

12 (b) Dual enrollment.

13 (1) Pursuant to 16 V.S.A. § 944(e), the Agency of Education shall assist
14 the University of Vermont and the Vermont State Colleges in developing
15 memoranda of understanding with each regional CTE center and each
16 comprehensive high school, as defined in 16 V.S.A. § 1522, to facilitate dual
17 enrollment under section 944.

18 (2) The University of Vermont and the Vermont State Colleges shall
19 enter into memoranda of understanding, as developed with the Agency, with
20 each regional CTE center.

1 (3) On or before January 15, 2018, the Secretary of Education shall
2 provide a progress report on the status of the memoranda of understanding to
3 the House and Senate Committees on Education, the House Committee on
4 Commerce and Economic Development, and the Senate Committee on
5 Economic Development, Housing and General Affairs.

6 Sec. F.1. BENEFIT CLIFF; REPORT

7 (a) The Commissioner for Children and Families, in consultation with the
8 Joint Fiscal Office, shall evaluate the State’s public benefit structure and
9 recommend methods for mitigating or eliminating the benefit cliffs
10 experienced by working Vermonters receiving public assistance.

11 (b) On or before January 15, 2018, the Commissioner shall submit a report
12 with the results of this evaluation to the House Committees on Human
13 Services, on Commerce and Economic Development, and on Ways and
14 Means and to the Senate Committees on Economic Development, Housing
15 and General Affairs, on Finance, and on Health and Welfare.

16 (c) The Commissioner may seek the assistance of the Office of Legislative
17 Council in drafting a recommended legislative proposal arising out of the
18 analysis conducted pursuant to this section.

19 * * * Financial Technology * * *

20 Sec. G.1. FINANCIAL TECHNOLOGY

21 (a) The General Assembly finds:

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

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

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

6 (4) The existing Vermont legislation on blockchain technology and
7 other aspects of e-finance have given Vermont the potential for leadership in
8 this new era of innovation as well, with the possibility of expanded economic
9 activity in the financial technology sector that would provide opportunities for
10 employment, tax revenues, and other benefits.

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

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

17 (b)(1) In order to permit the legislature to respond to these developing
18 opportunities and concerns on an informed basis, on or before November 30,
19 2017, the Center for Legal Innovation at Vermont Law School, in consultation
20 with the Commissioner of Financial Regulation, the Secretary of Commerce

1 and Community Development, and the Attorney General, shall submit a report
2 to the General Assembly that includes:

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

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

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

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

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

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

18 (a) The Secretary of Natural Resources, after consultation with the
19 Vermont League of Cities and Towns, shall conduct outreach and education
20 for municipalities regarding the ability of a municipality under 10 V.S.A.

1 § 1976 to be delegated the authority to permit the connection of a municipal
2 sewer or water service line to subdivided land, a building, or a campground.

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

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

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

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

19 § 4303. DEFINITIONS

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

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

2 (A) ~~Housing that is owned by its inhabitants whose gross annual~~
3 ~~household income does not exceed 80 percent of the county median income, or~~
4 ~~80 percent of the standard metropolitan statistical area income if the~~
5 ~~municipality is located in such an area, as defined by the U.S. Department of~~
6 ~~Housing and Urban Development, and the total annual cost of the housing,~~
7 ~~including principal, interest, taxes, insurance, and condominium association~~
8 ~~fees is not more than 30 percent of the household’s gross annual income.~~

9 Owner-occupied housing for which the total annual cost of ownership,
10 including principal, interest, taxes, insurance, and condominium association
11 fees, does not exceed 30 percent of the gross annual income of a household at
12 120 percent of the highest of the following:

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

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

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

20 (B) ~~Housing that is rented by its inhabitants whose gross annual~~
21 ~~household income does not exceed 80 percent of the county median income, or~~

1 ~~80 percent of the standard metropolitan statistical area income if the~~
2 ~~municipality is located in such an area, as defined by the U.S. Department of~~
3 ~~Housing and Urban Development, and the total annual cost of the housing,~~
4 ~~including rent, utilities, and condominium association fees, is not more than~~
5 ~~30 percent of the household's gross annual income. Rental housing for which~~
6 ~~the total annual cost of renting, including rent, utilities, and condominium~~
7 ~~association fees, does not exceed 30 percent of the gross annual income of a~~
8 ~~household at 80 percent of the highest of the following:~~

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

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

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

16 * * *

17 * * * Act 250; Priority Housing Projects * * *

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

19 § 6001. DEFINITIONS

20 In this chapter:

21 * * *

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

2 * * *

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

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

11 (aa) ~~275 or more, in a municipality with a population of~~
12 ~~15,000 or more; [Repealed.]~~

13 (bb) ~~150 or more, in a municipality with a population of~~
14 ~~10,000 or more but less than 15,000; [Repealed.]~~

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

17 (dd) 50 or more, in a municipality with a population of
18 3,000 or more but less than 6,000;

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

1 listed or eligible to be listed on the State or National Register of Historic
2 Places, this exemption shall not apply unless the Division for Historic
3 Preservation has made the determination described in subdivision (A)(iv)(I)(ff)
4 of this subdivision (3) and any imposed conditions are enforceable in the
5 manner set forth in that subdivision.

6 * * *

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

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

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

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

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

1 (28) “Mixed use” means construction of both mixed income housing
2 and construction of space for any combination of retail, office, services,
3 artisan, and recreational and community facilities, provided at least 40 percent
4 of the gross floor area of the buildings involved is mixed income housing.
5 “Mixed use” does not include industrial use.

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

3 * * *

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

6 (A) mixed income housing or mixed use, or any combination thereof,
7 and is located entirely within a designated downtown development district,
8 designated new town center, designated growth center, or designated village
9 center that is also a designated neighborhood development area under
10 24 V.S.A. chapter 76A; or

11 (B) mixed income housing and is located entirely within a designated
12 Vermont neighborhood or designated neighborhood development area under
13 24 V.S.A. chapter 76A.

14 * * *

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

16 § 6081. PERMITS REQUIRED; EXEMPTIONS

17 (a) No person shall sell or offer for sale any interest in any subdivision
18 located in this State, or commence construction on a subdivision or
19 development, or commence development without a permit. This section shall
20 not prohibit the sale, mortgage, or transfer of all, or an undivided interest in all,

1 of a subdivision unless the sale, mortgage, or transfer is accomplished to
2 circumvent the purposes of this chapter.

3 * * *

4 (o) If a ~~downtown development district~~ designation pursuant to 24 V.S.A.
5 § ~~2793~~ chapter 76A is removed, subsection (a) of this section shall apply to
6 any subsequent substantial change to a priority housing project that was
7 originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title on the
8 basis of that designation.

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

16 (2) No permit or permit amendment is required for a priority housing
17 project in a designated center other than a downtown development district if
18 the project remains below any applicable jurisdictional threshold specified in
19 subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions
20 of any existing permit or permit amendment issued under this chapter that
21 applies to the tract or tracts on which the project will be located. If such a

1 priority housing project will not comply with one or more of these conditions,
2 an application may be filed pursuant to section 6084 of this title.

3 * * *

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

5 § 6084. NOTICE OF APPLICATION; HEARINGS, COMMENCEMENT OF
6 REVIEW

7 * * *

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

12 (1) The District Commission may authorize a district coordinator to
13 issue such an amendment, without notice and a hearing, if the applicant
14 demonstrates that all parties to the existing permit or existing permit
15 amendment, which contains the condition or conditions proposed to be
16 changed, or their successors in interest have consented to the proposed changes
17 to conditions relative to the criteria for which the party obtained party status.

18 (2) If the applicant is not able to obtain the consent of a party or parties
19 or their successors in interest with respect to one or more of the conditions in
20 the existing permit or permit amendment proposed to be changed, the applicant
21 shall file a permit application pursuant to this section. However, review by the

1 District Commission shall be limited to whether the changes to conditions not
2 consented to by the party or parties or their successors in interest enable
3 positive findings to be made under subsection 6086(a) and are authorized
4 under subsection 6086(c) of this title.

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

6 § 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

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

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

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

13 § 2472. DEPARTMENT OF HOUSING AND COMMUNITY
14 DEVELOPMENT

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

18 * * *

19 (5) In conjunction with the Vermont Housing Finance Agency, annually
20 publish data and information to enable the public to determine income levels

1 and costs for owner-occupied and rental housing to qualify as affordable
2 housing, as defined in 24 V.S.A. § 4303 and 10 V.S.A. § 6001(29), including:

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

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

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

10 * * *

11 * * * Downtown Tax Credits * * *

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

13 § 5930ee. LIMITATIONS

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

16 (1) the total amount of tax credits awarded annually, together with sales
17 tax reallocated under section 9819 of this title, does not exceed ~~\$2,200,000.00~~
18 \$2,400,000.00;

19 * * *

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

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

3 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

4 (a) As used in this section:

5 * * *

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

11 * * *

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

18 * * *

1 * * * Vermont State Housing Authority; Powers * * *

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

3 § 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT,
4 MEMBERS, POWERS

5 * * *

6 (e) Notwithstanding any provision of law, no person, ~~domestic or foreign~~,
7 shall be authorized to administer allocations of money under 42 U.S.C.A.
8 § 1437a or 1437f or other federal statute authorizing rental subsidies for the
9 benefit of persons of low or moderate income, except:

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

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

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

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

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

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

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

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

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

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

9 * * * Repeal of Sunset on Sales and Use Tax Exemption;

10 Airplanes and Airplane Parts * * *

11 Sec. I.1. REPEALS

12 The following are repealed:

13 (1) 2007 Acts and Resolve No. 81, Secs. 7a (amendment to sales tax
14 exemption for aircraft parts) and 7b (effective date).

15 (2) 2008 Acts and Resolve No. 190, Sec. 43 (effective date).

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

2 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
3 FINANCING DISTRICTS

4 * * *

5 (f) A municipality that establishes a tax increment financing district under
6 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties
7 contained within the district and apply up to 75 percent of the State education
8 property tax increment, and not less than an equal share plus five percent of the
9 municipal tax increment, as defined in 24 V.S.A. § 1896, to repayment of
10 financing of the improvements and related costs for up to 20 years pursuant to
11 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council
12 pursuant to this section, subject to the following:

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

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

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

20 (B) The Council shall consider complete applications in the order
21 they are submitted, except that if during any calendar month the Council

1 receives applications for more districts than are actually available in a county,
2 the Council shall evaluate each application and shall approve the application
3 that, in the Council’s discretion, best meets the economic development needs
4 of the county.

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

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

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

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

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

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

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

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

19 (C) The municipality has approved or pledged the utilization of
20 incremental municipal tax revenues for purposes of the district in the same
21 proportion as the utilization of education property tax revenues approved by

1 the Vermont Economic Progress Council for the tax increment financing
2 district.

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

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

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

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

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

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

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

4 (iii) a median sales price for residential properties under six acres
5 that is not more than 80 percent of the statewide median sales price for
6 residential properties under six acres as reported by the Vermont Department
7 of Taxes.

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

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

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

19 (C)(B) The project will affect the remediation and redevelopment of
20 a brownfield located within the district. As used in this section, “brownfield”
21 means an area in which a hazardous substance, pollutant, or contaminant is or

1 may be present, and that situation is likely to complicate the expansion,
2 development, redevelopment, or reuse of the property.

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

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

11 * * *

12 Sec. J.3. IMPLEMENTATION

13 Secs. J.1 and J.2 of this act shall apply only to tax increment financing
14 district applications filed, and districts approved, on or after the date of passage
15 of this act.

16 * * * Climate Economy Business Accelerator Program; H.398 * * *

17 Sec. K.1. FINDINGS AND PURPOSE

18 (a) Findings. The General Assembly finds:

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

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

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

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

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

20 (6) The Accelerator Program aims to accelerate the creation and growth
21 of entrepreneurs that commercialize business solutions to address the negative

1 impacts of climate change and position our State as the place to come and
2 build businesses that export solutions for a changing climate worldwide.

3 (7) Nationally, business accelerators have led to the growth of start-up
4 companies, job creation, and enhanced entrepreneurial activity in a region.

5 Most accelerators are located in major cities and throughout Canada. There are
6 over 150 business accelerators in the United States at this time.

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

10 (9) In early 2017 a climate change-related accelerator will launch in
11 Philadelphia with a focus on technology development related to agriculture and
12 water.

13 (10) The Vermont Sustainable Jobs Fund program (VSJF) was created
14 in 1995 to accelerate the development of Vermont's green economy. Per its
15 enabling statute, VSJF focuses its development efforts on particular economic
16 sectors by supporting the business assistance and financing needs of businesses
17 in these sectors.

18 (11) To date, VSJF has concentrated on working with early-stage and
19 growth-stage businesses in the green economy, primarily due to a lack of
20 sufficient funding support to work with start-up businesses. Additional

1 funding for VSJF’s Accelerator Program will enable it to fulfill its statutory
2 mission.

3 (12) A State investment of seed funding would leverage additional
4 private and philanthropic investment to carry out this work and boost economic
5 development, innovation, and job creation.

6 (b) Purpose. The purpose of Sec. K.2 of this act is to create a statutory
7 framework to authorize the creation of the Climate Economy Business
8 Accelerator Program capable of attracting and retaining young entrepreneurs in
9 the State and to position Vermont as a national leader in climate economy
10 innovation.

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

12 § 331. CLIMATE ECONOMY BUSINESS ACCELERATOR PROGRAM

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

17 (1) clean energy development and distribution;

18 (2) thermal and electrical efficiencies in buildings and building
19 construction;

20 (3) evolving public and private transportation systems;

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

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

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

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

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

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

12 (3) Assist cohort members in clarifying the market for their products,
13 evaluating the needs of their management teams, defining their business
14 models, articulating their unique values, and securing needed investment
15 capital.

16 (4) Develop an evaluation and metrics capture process compatible with
17 Results-Based Accountability and begin tracking results.

18 (5) Develop a network of climate economy related businesses to work
19 alongside the Accelerator Program in order to connect cohort members with
20 the business community to spark business-to-business collaboration, stimulate

1 additional job growth in the climate economy sector, and provide ongoing
2 support as their businesses mature.

3 (6) Raise additional program funding as needed from sponsors, partners,
4 private foundations, and federal agencies to leverage State general funds.

5 (c) Outcomes. The outcomes of the Program shall include:

6 (1) Increase the success rate of start-up businesses in the climate
7 economy sector in Vermont.

8 (2) Create jobs in the climate economy sector.

9 (3) Attract and retain young entrepreneurs who develop climate
10 economy businesses in Vermont to serve local, national, and global markets.

11 (4) Attract equity and venture capital to emerging climate economy
12 start-up businesses in Vermont.

13 * * * Opportunity Economy; H.480 * * *

14 Sec. L.1. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS;

15 APPROPRIATION

16 (a) Findings. The General Assembly finds:

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

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

4 (3) Each year the Program:

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

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

8 (C) provides access to more than \$1,100,000.00 in capital.

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

11 (b) Intent. It is the intent of the General Assembly to provide additional
12 funding, subject to available resources, for the regional Microbusiness
13 Development Programs pursuant to 3 V.S.A. § 3722.

14 Sec. L.2. FINANCIAL EDUCATION, COACHING, AND

15 CREDIT-BUILDING SERVICES; FINDINGS; APPROPRIATION

16 (a) Findings. The General Assembly finds:

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

1 (2) for the purpose of fully funding the SBDC technology
2 commercialization advisor position.

3 Sec. M.2. ECONOMIC DEVELOPMENT MARKETING

4 (a) The Agency of Commerce and Community Development shall have the
5 authority, and may use available funds, to:

6 (1) implement the Department of Economic Development’s economic
7 development marketing plan to attract and retain residents and businesses to
8 Vermont, highlighting the many positive features that make Vermont a great
9 place to live, work, and do business; and

10 (2) prioritize marketing tactics with the potential to shift most efficiently
11 and effectively perceptions about Vermont as a place to live and
12 work, and that will form a set of marketing assets and strategic
13 framework to sustain Department of Economic Development activities beyond
14 initial implementation.

15 (b) Funds available to implement this section may be matched with federal
16 funds, special funds, grants, donations, and private funds. To increase the
17 amount and effectiveness of marketing activities conducted, the Agency shall
18 collaborate with private sector partners to maximize State marketing resources
19 and to enable Vermont businesses to align their own brand identities with the
20 Vermont brand, enhancing the reputations of both the business and the State.

