

1 TO THE HOUSE OF REPRESENTATIVES:

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

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

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

9 CHAPTER 105. VERMONT EMPLOYMENT GROWTH

10 INCENTIVE PROGRAM

11 * * *

12 § 3332. APPLICATION; APPROVAL CRITERIA

13 (a) Application.

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

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

19 (A) specify a payroll performance requirement;

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

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

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

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

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

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

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

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

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

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

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

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

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

14 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL
15 TECHNOLOGY BUSINESS

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

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

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

20 Secretary of Commerce and Community Development certifies is primarily

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

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

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

9 (C) energy efficiency or conservation;

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

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

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

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

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

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

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

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

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

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

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

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

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

15 § 3339. RECAPTURE; REDUCTION; REPAYMENT

16 (a) Recapture.

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (1) The Department shall:

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

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

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

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

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

18 (c) Tax liability.

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

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

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

7 * * *

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

20 * * *

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

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

3 CHAPTER 138. RURAL ECONOMIC DEVELOPMENT

4 INFRASTRUCTURE DISTRICTS

5 § 5701. PURPOSE

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

13 § 5702. ESTABLISHMENT; GENERAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 § 5705. OFFICERS

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

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

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

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

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

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

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

15 § 5706. AUDIT

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

21 § 5707. COMMITTEES

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

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

6 § 5708. DISTRICT POWERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 § 5709. DISSOLUTION

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

18 (b) The plan of dissolution shall:

19 (1) identify and value all unencumbered assets;

20 (2) identify and value all encumbered assets;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (c) The Plan shall:

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

11 (A) employers:

12 (i) with 50 employees or fewer; and

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

15 (B) self-employed individuals;

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

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

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

1 (5) be overseen by a board:

2 (A) that shall:

3 (i) set program terms;

4 (ii) prepare and design plan documents; and

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

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

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

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

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

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

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

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

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

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

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

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

9 (b) Membership.

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

12 (A) the State Treasurer or designee;

13 (B) the Commissioner of Labor or designee;

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

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

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

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

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

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

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

15 (c) Powers and duties.

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

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

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

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

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

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

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

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

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

21 (I) employers:

1 (aa) with 50 employees or fewer; and

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

4 (II) self-employed individuals;

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

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

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

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

12 (I) set programs terms;

13 (II) prepare and design plan documents; and

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

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

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

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

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

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

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

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

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

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

1 (2) The Committee shall:

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

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

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

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

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

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

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

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

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

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

9 § 210. PENALTIES

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

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

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

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

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

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

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

8 * * *

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

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

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

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

§ 711. WORKERS' COMPENSATION ADMINISTRATION FUND

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

* * *

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

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

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

LEADER

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (B) amount of funding;

10 (C) activities and training provided;

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

13 (E) employment status of trainees; and

14 (F) future needs for resources.

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

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

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

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

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

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

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

15 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT

16 PROGRAMS

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

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

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

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

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

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

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

14 (d) Eligible activities.

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

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

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

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

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

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

13 (e) [Repealed].

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

17 (1) Training Programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

17 **Note – See administration request to strike subdivision (4)**

18
19 **Sec. E.3. 3. V.S.A. § 2703 is added to read:**

20 **§ 2703. CAREER PATHWAYS COORDINATOR**

1 (a)(1) The Secretary of Administration shall have the authority to create the
2 position of Career Pathways Coordinator within the Agency of Education.

3 (2) The position shall be funded through the Next Generation Initiative
4 Fund created in 16 V.S.A. § 2887.

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

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

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

15 (3) curriculum development, stakeholder engagement, process
16 documentation, and identification of key performance indicators, outcomes
17 collection and reporting;

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

20 (5) identify target populations and entry points;

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

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

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

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

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

11 (11) advise the Secretary of Education on the funding, governance, and
12 access to career and technical education in Vermont.

13 **Sec. E.4. VERMONT ACCREDITATION BOARD; REPORT**

14 (a) On or before January 15, 2018, the Career Pathways Coordinator, in
15 collaboration with relevant stakeholders, shall have the authority to design and
16 submit to the General Assembly and the Governor a proposal for the
17 composition, duties, and authority of a Vermont Accreditation Board, the
18 purpose of which shall be to raise the standards and credibility of certifications
19 granted by Vermont Career and Technical Education Centers and the Vermont
20 State Colleges.

21 (b) The Coordinator shall consider:

1 (1) criteria the Board should use to evaluate the ethical and professional
2 strength, viability, and relevance of new and existing certifications, including:

3 (A) educational requirements;

4 (B) experience requirements;

5 (C) testing or examination requirements;

6 (D) annual education or maintenance requirements;

7 (E) accreditation by a credible, recognized third party.

8 (2) how to ensure that programs issuing certifications meet standards of
9 quality adopted by the Board;

10 (3) whether the Board should establish a process by which to review a
11 certification and issue its own accreditation in the absence of an accrediting
12 organization.

13 (3) necessary and appropriate administrative and technical support for
14 the Board.

15 (c) As used in this section:

16 (1) “Accreditation” means recognition by an independent organization
17 that a Certification Program has met predetermined standards.

18 (2) “Certification” means an official recognition by an organization
19 attesting that an individual has achieved a level of proficiency in a particular
20 field, using a combination of education, training, competency and examination
21 results.

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

2 **Sec. E.3. HEATING FUEL AND SERVICE WORKFORCE TRAINING**

3 **PILOT PROJECT**

4 (a) Findings and purpose.

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

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

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

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

20 (1) The Department, CTE Centers, and Association shall:

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

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

6 (C) coordinate matches between trainees and employers.

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

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

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

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

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

1 (c) The Department shall have the authority to use available State and
2 federal funding to implement the provisions of this section.

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

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

9 **Sec. E.4. CTE DUAL ENROLLMENT MEMORANDA OF**

10 **UNDERSTANDING**

11 (a) Intent. The intent of this act is to expand the recognition of dual
12 enrollment credit for technical career education courses by the University of
13 Vermont and the Vermont State Colleges.

14 (b) Dual enrollment.

15 (1) Pursuant to 16 V.S.A. § 944(e), the Agency of Education shall assist
16 the University of Vermont and the Vermont State Colleges in developing
17 memoranda of understanding with each regional CTE center and each
18 comprehensive high school, as defined in 16 V.S.A. § 1522, to facilitate dual
19 enrollment under section 944 and the awarding of secondary and
20 postsecondary credits for career technical courses.

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

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

9 *** Vermont Minimum Wage ***

10 Sec. F.1. MINIMUM WAGE STUDY

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

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

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

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

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

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

1 ~~(2) the economic effects of small to large increases in the Vermont~~
2 ~~minimum wage, including in relation to the minimum wages in neighboring~~
3 ~~states;~~

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

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

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

12 ~~(6) ways to offset losses in State and federal benefits through State~~
13 ~~benefit programs or State tax policy; and~~

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

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

20 ~~(e) Report. On or before December 1, 2017, the Committee shall submit a~~
21 ~~written report with its findings and any recommendations for legislative action~~

1 ~~to the Senate Committee on Economic Development, Housing and General~~
2 ~~Affairs and the House Committee on General, Housing and Military Affairs.~~

3 ~~(f) Meetings.~~

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

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

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

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

10 ~~(g) Reimbursement. For attendance at meetings during adjournment of the~~
11 ~~General Assembly, legislative members of the Committee shall be entitled to~~
12 ~~per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.~~
13 ~~§ 406 for no more than five meetings.~~

14 * * * Financial Technology * * *

15 Sec. G.1. FINANCIAL TECHNOLOGY

16 (a) The General Assembly finds:

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

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

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

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

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

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

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

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

1 (B) suggestions for an overall policy direction and proposals for
2 legislative and regulatory action that would effectively implement that policy
3 direction; and

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

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

10 * * * Municipal Outreach; Sewerage and Water Service Connections * * *
11 Sec. H.1. AGENCY OF NATURAL RESOURCES; EDUCATION AND
12 OUTREACH; DELEGATION; SEWERAGE AND WATER
13 SERVICE CONNECTIONS

14 (a) The Secretary of Natural Resources, after consultation with the
15 Vermont League of Cities and Towns, shall conduct outreach and education
16 for municipalities regarding the ability of a municipality under 10 V.S.A.
17 § 1976 to be delegated the authority to permit the connection of a municipal
18 sewer or water service line to subdivided land, a building, or a campground.

19 (b) The education and outreach shall specify the conditions or requirements
20 for delegation, how a municipality can seek delegation, and contact
21 information or other resource to provide additional information regarding

1 delegation. The education and outreach may include educational materials,
2 workshops, or classes regarding the ability of a municipality to be delegated
3 under 10 V.S.A. § 1976 the permitting of sewer and water service connection.

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

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

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

14 § 4303. DEFINITIONS

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

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

18 (A) ~~Housing that is owned by its inhabitants whose gross annual~~
19 ~~household income does not exceed 80 percent of the county median income, or~~
20 ~~80 percent of the standard metropolitan statistical area income if the~~
21 ~~municipality is located in such an area, as defined by the U.S. Department of~~

1 ~~Housing and Urban Development, and the total annual cost of the housing,~~
2 ~~including principal, interest, taxes, insurance, and condominium association~~
3 ~~fees is not more than 30 percent of the household's gross annual income.~~

4 Owner-occupied housing for which the total annual cost of ownership,
5 including principal, interest, taxes, insurance, and condominium association
6 fees, does not exceed 30 percent of the gross annual income of a household at
7 120 percent of the highest of the following:

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

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

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

15 (B) ~~Housing that is rented by its inhabitants whose gross annual~~
16 ~~household income does not exceed 80 percent of the county median income, or~~
17 ~~80 percent of the standard metropolitan statistical area income if the~~
18 ~~municipality is located in such an area, as defined by the U.S. Department of~~
19 ~~Housing and Urban Development, and the total annual cost of the housing,~~
20 ~~including rent, utilities, and condominium association fees, is not more than~~
21 ~~30 percent of the household's gross annual income. Rental housing for which~~

1 the total annual cost of renting, including rent, utilities, and condominium
2 association fees, does not exceed 30 percent of the gross annual income of a
3 household at 80 percent of the highest of the following:

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

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

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

11 * * *

12 * * * Act 250; Priority Housing Projects * * *

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

14 § 6001. DEFINITIONS

15 In this chapter:

16 * * *

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

18 * * *

19 (iv) The construction of housing projects such as cooperatives,
20 condominiums, or dwellings, or construction or maintenance of mobile homes
21 or mobile home parks, with 10 or more units, constructed or maintained on a

1 tract or tracts of land, owned or controlled by a person, within a radius of five
2 miles of any point on any involved land, and within any continuous period of
3 five years. However:

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

6 (aa) ~~275 or more, in a municipality with a population of~~
7 ~~15,000 or more;~~ [Repealed.]

8 (bb) ~~150 or more, in a municipality with a population of~~
9 ~~10,000 or more but less than 15,000;~~ [Repealed.]

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

12 (dd) 50 or more, in a municipality with a population of
13 3,000 or more but less than 6,000;

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

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

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

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

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

9 * * *

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

11 * * *

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

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

21 * * *

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

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

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

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

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

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

20 “Mixed use” does not include industrial use.

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

1 (A) ~~Housing that is owned by its inhabitants whose gross annual~~
2 ~~household income does not exceed 80 percent of the county median income, or~~
3 ~~80 percent of the standard metropolitan statistical area income if the~~
4 ~~municipality is located in such an area, as defined by the U.S. Department of~~
5 ~~Housing and Urban Development, and the total annual cost of the housing,~~
6 ~~including principal, interest, taxes, insurance, and condominium association~~
7 ~~fees is not more than 30 percent of the household's gross annual income.~~
8 Owner-occupied housing for which the total annual cost of ownership,
9 including principal, interest, taxes, insurance, and condominium association
10 fees, does not exceed 30 percent of the gross annual income of a household at
11 120 percent of the highest of the following:

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

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

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

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

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

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

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

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

15 * * *

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

18 (A) mixed income housing or mixed use, or any combination thereof,
19 and is located entirely within a designated downtown development district,
20 designated new town center, designated growth center, or designated village

1 center that is also a designated neighborhood development area under
2 24 V.S.A. chapter 76A; or

3 (B) mixed income housing and is located entirely within a designated
4 Vermont neighborhood or designated neighborhood development area under
5 24 V.S.A. chapter 76A.

6 * * *

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

8 § 6081. PERMITS REQUIRED; EXEMPTIONS

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

15 * * *

16 (o) If a ~~downtown development district~~ designation pursuant to 24 V.S.A.
17 ~~§ 2793~~ chapter 76A is removed, subsection (a) of this section shall apply to
18 any subsequent substantial change to a priority housing project that was
19 originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title on the
20 basis of that designation.

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

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

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

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

20 **§ 55. PRIORITY HOUSING PROJECTS; STRETCH CODE**

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

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

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

7 § 2472. DEPARTMENT OF HOUSING AND COMMUNITY
8 DEVELOPMENT

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

12 * * *

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

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

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

1 or franchise, captive insurance premium, or insurance premium tax liability as
2 provided in this subchapter.

3 * * *

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

10 * * *

11 * * * Vermont State Housing Authority; Powers * * *

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

13 § 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT,
14 MEMBERS, POWERS

15 * * *

16 (e) Notwithstanding any provision of law, no person, ~~domestic or foreign~~,
17 shall be authorized to administer allocations of money under 42 U.S.C.A.
18 § 1437a or 1437f or other federal statute authorizing rental subsidies for the
19 benefit of persons of low or moderate income, except:

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

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

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

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

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

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

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

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

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

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

1 ~~increment financing districts even if one of the districts named in this~~
2 ~~subsection is terminated pursuant to subsection 1894(a) of this subchapter:~~

3 (1) the City of Burlington, Downtown;

4 (2) the City of Burlington, Waterfront;

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

6 (4) the City of Newport;

7 (5) the City of Winooski;

8 (6) the Town of Colchester;

9 (7) the Town of Hartford;

10 (8) the City of St. Albans;

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

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

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

14 * * *

15 § 1894. POWER AND LIFE OF DISTRICT

16 * * *

17 (c) Use of the municipal property tax increment. For only debt incurred
18 within the period permitted under subdivision (a)(1) of this section after
19 creation of the district, and related costs, not less than an equal share plus five
20 percent of the municipal tax increment pursuant to subsection (f) of this section

1 shall be retained to service the debt, beginning the first year in which debt is
2 incurred, pursuant to subsection (b) of this section.

3 * * *

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

9 * * *

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

11 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT

12 FINANCING DISTRICTS

13 * * *

14 (f) A municipality that establishes a tax increment financing district under
15 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties
16 contained within the district and apply up to 75 percent of the State education
17 property tax increment, and not less than an equal share plus five percent of the
18 municipal tax increment, as defined in 24 V.S.A. § 1896, to repayment of
19 financing of the improvements and related costs for up to 20 years pursuant to
20 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council
21 pursuant to this section, subject to the following:

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

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

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

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

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

1 additional cost that might be incurred if the project were to proceed without
2 education property tax increment financing;

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

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

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

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

17 (B) The municipality has developed a tax increment financing district
18 plan, including: a project description; a development financing plan; a pro
19 forma projection of expected costs; a projection of revenues; a statement and
20 demonstration that the project would not proceed without the allocation of a
21 tax increment; evidence that the municipality is actively seeking or has

1 obtained other sources of funding and investment; and a development schedule
2 that includes a list, a cost estimate, and a schedule for public improvements
3 and projected private development to occur as a result of the improvements.

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

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

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

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

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

20 (C) The development will occur in an area that is economically
21 distressed, which for the purposes of this subdivision means that the ~~area has~~

1 ~~experienced patterns of increasing unemployment, a drop in average wages, or~~
2 ~~a decline in real property values~~ municipality in which the area is located has
3 at least one of the following:

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

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

10 (iii) a median sales price for residential properties under six acres
11 that is not more than 80 percent of the statewide median sales price for
12 residential properties under six acres as reported by the Vermont Department
13 of Taxes.

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

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

20 ~~(B)~~ The development includes new or rehabilitated affordable
21 ~~housing that is affordable to the majority of the residents living within the~~

1 ~~municipality and is developed at a higher density than at the time of~~
2 ~~application. “Affordable” has the same meaning as in 10 V.S.A. § 6001(29),~~
3 ~~as defined in 24 V.S.A. § 4303.~~

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

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

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

17 * * *

18 Sec. J.3. IMPLEMENTATION

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

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

2 Sec. K.1. FINDINGS AND PURPOSE

3 (a) Findings. The General Assembly finds:

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

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

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

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

19 (5) The Vermont Sustainable Jobs Fund, the Vermont Council on Rural
20 Development, and a working group of business, finance, and economic
21 development leaders, are developing the Climate Economy Business

1 Accelerator Program to grow entrepreneurial opportunities and provide a
2 network for businesses to promote their solutions, products, and services that
3 can lead to collaboration and innovation.

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

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

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

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

18 (10) The Vermont Sustainable Jobs Fund program was created in 1995 to
19 accelerate the development of Vermont's green economy. Per its enabling
20 statute, VSJF focuses its development efforts on particular economic sectors by

1 supporting the business assistance and financing needs of businesses in these
2 sectors.

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

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

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

14 (1) Establish a nationally recognized Climate Economy Business
15 Accelerator Program capable of attracting and retaining your entrepreneurs in
16 the state, and in order to position Vermont as a national leader in climate
17 economy business innovation.

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

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

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

5 § 331. CLIMATE ECONOMY BUSINESS ACCELERATOR PROGRAM

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

10 (1) clean energy development and distribution;

11 (2) thermal and electrical efficiencies in buildings and building
12 construction;

13 (3) evolving public and private transportation systems;

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

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

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

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

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

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

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

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

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

17 (6) Raise additional program funding as needed from sponsors, partners,
18 private foundations and federal agencies, in order to leverage state general
19 funds.

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

- 1 (1) Increase the success rate of start-up businesses in the climate
- 2 economy sector in Vermont.
- 3 (2) Create jobs in the climate economy sector.
- 4 (3) Attract and retain young entrepreneurs who develop climate
- 5 economy businesses in Vermont to serve local, national, and global markets.
- 6 (4) Attract equity and venture capital to emerging climate economy
- 7 start-up businesses in Vermont.

8 ~~Sec. K.3. APPROPRIATION~~

9 ~~In fiscal year 2018, the amount of \$150,000.00 is appropriated from the~~

10 ~~General Fund to the Vermont Sustainable Jobs Fund for the purpose of~~

11 ~~leveraging additional private and philanthropic funding to implement the~~

12 ~~Climate Economy Business Accelerator Program pursuant to 10 V.S.A. § 331.~~

13 * * * Pathways to Prosperity; H.452 * * *

14 L.1. PATHWAYS TO PROSPERITY

15 The Agencies of Education and of Commerce and Community

16 Development, in collaboration with the Department of Labor, shall have the

17 authority to design and implement the Vermont Pathways to Prosperity, the

18 purpose of which shall be to align educational opportunities with job

19 opportunities in Vermont.

20 * * * Opportunity Economy; Microbusiness Development; Individual

21 Development Accounts; Job Training; H.480 * * *

1 Sec. M.1. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS;
2 APPROPRIATION

3 (a) Findings. The General Assembly finds:

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

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

10 (3) Each year the Program:

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

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

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

15 (4) The average cost per job created through the Program is less than
16 \$3,600.00.

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

20 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
21 appropriated, the amount of \$200,000.00 is appropriated from the General

1 Fund to the Office of Economic Opportunity for pass through grants to the
2 Community Action Agencies to restore and increase funding for the regional
3 Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

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

5 FINDINGS; APPROPRIATION

6 (a) Findings. The General Assembly finds:

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

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

14 (3) Since its inception in 1997:

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

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

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

1 (v) personal qualities; and

2 (vi) customer service.

3 (2) Specific examples of training programs include:

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

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

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

10 (D) transportation assistance to individuals to enable them to prepare
11 for and attain employment; and

12 (E) skills development, career readiness, and job placement training
13 for underemployed and unemployed Vermonters for food service industry
14 careers.

15 (b) It is the intent of the General Assembly to provide sufficient funding for
16 workforce development and training for Vermonters with low income, in order
17 to increase access to the workforce and ensure a supply of job-ready,
18 dependable workers to enable Vermont employers to maintain and expand
19 their businesses.

20 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
21 appropriated, the amount of \$250,000.00 is appropriated from the General

1 Fund to the Agency of Human Services for pass through grants to the
2 Community Action Agencies to fund and expand access to existing workforce
3 development and training services.

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

5 CREDIT-BUILDING SERVICES; FINDINGS; APPROPRIATION

6 (a) Findings. The General Assembly finds:

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

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

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

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

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

1 (3) An independent evaluation of individual development accounts in
2 Massachusetts found that every dollar of state funding resulted in savers
3 accumulating \$64.32 in assets, and local government collected an additional
4 \$0.43 in property taxes.

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

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

16 ~~(c) Appropriation. In fiscal year 2018 the amount of \$150,000.00 is~~
17 ~~appropriated from the General Fund to the Agency of Human Services to~~
18 ~~create a Vermont Matched Savings Account Program pursuant to 33 V.S.A.~~
19 ~~§ 1124.~~

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

21 § 1124. VERMONT MATCHED SAVINGS ACCOUNT PROGRAM

1 (a) As used in this section:

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

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

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

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

14 (5) “Expanded Individual Development Account” or “expanded
15 account” means a savings account that is held in an insured financial institution
16 that is maintained by the saver as part of an approved account program and an
17 approved savings plan.

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

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

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

6 (9) “Program” means the Vermont Matched Savings Account Program
7 established authorized by this section.

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

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

14 (A) who resides in this State;

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

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

18 (i) to receive public assistance;

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

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

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

10 (12) “Service provider” means a nonprofit organization approved by the
11 Agency that encourages and assists local community-based human services
12 development and that is an organization described in Section 501(c)(3) of the
13 U.S. Internal Revenue Code which is exempt from taxation under Section
14 501(a) of the Code.

15 (b) The Agency shall have the authority to establish by rule standards and
16 procedures to implement and administer the Program, consistent with the
17 following:

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

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

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

4 (C) The plan shall limit the maximum amount of savings that is the
5 basis for receipt of matching funds to not more than \$500.00 per saver, per
6 calendar year and \$1,000.00 per family, per calendar year and to not more than
7 \$2,000.00 per lifetime of the saver and \$4,000.00 per lifetime of members of a
8 family.

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

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

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

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

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

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

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

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

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

12 (7)(A) The service provider may terminate an approved savings plan for
13 a saver who fails to meet the savings goals set out in the approved plan or who
14 withdraws from the Program, in accordance with standards and procedures
15 established by rule by the Agency.

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

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

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

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

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

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

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

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

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

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

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

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

9 APPROPRIATION

10 (a) Findings. The General Assembly finds:

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

13 (2) In fiscal year 2016, the Vermont Community Action Agencies
14 completed 3,536 federal returns and 3,544 State returns and provided
15 assistance with the Vermont Renter's Rebate application and Homestead
16 Declaration.

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

19 (4) The total refunds and tax credits brought \$4.6 million back into the
20 State's economy and helped stabilize households of Vermonters with low
21 income.

1 (b) Intent. It is the intent of the General Assembly to provide ~~\$100,000.00~~
2 ~~in State~~ funding to the Volunteer Income Tax Assistance Program to leverage
3 ~~\$51,540.00 in~~ federal funding in order to sustain and expand access to the
4 Program for Vermonters with low income.

5 ~~(c) Appropriations. In fiscal year 2018, in addition to any other amounts~~
6 ~~appropriated, the amount of \$100,000.00 is appropriated from the General~~
7 ~~Fund to the Agency of Human Services for pass through grants to the~~
8 ~~Community Action Agencies to sustain and expand access to the Volunteer~~
9 ~~Income Tax Assistance Program.~~

10 Sec. X.1. EFFECTIVE DATES

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

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

15

16

17 (Committee vote: _____)

18

19

Representative _____

20

FOR THE COMMITTEE