

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

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

6 \* \* \*

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

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

12 (b) A business shall include:

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

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

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

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

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

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

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

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

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

15           § 3339. RECAPTURE; REDUCTION; REPAYMENT

16           (a) Recapture.

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (1) The Department shall:

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

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

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

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

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

18 (c) Tax liability.

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







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

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

7 \* \* \*

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

20 \* \* \*

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

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

3                   CHAPTER 138. RURAL ECONOMIC DEVELOPMENT

4                               INFRASTRUCTURE DISTRICTS

5       § 5701. PURPOSE

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

13       § 5702. ESTABLISHMENT; GENERAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 § 5705. OFFICERS

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

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

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

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

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

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

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

15 § 5706. AUDIT

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

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;

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

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

4           § 5709. DISSOLUTION

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

21           (b) The plan of dissolution shall:



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

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

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

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

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

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

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

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

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

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

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

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

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

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

11          (c) The Plan shall:

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

13           (A) employers:

14           (i) with 50 employees or fewer; and

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

16          employees; and

17           (B) self-employed individuals;

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

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

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

3           (5) be overseen by a board:

4           (A) that shall:

5           (i) set program terms;

6           (ii) prepare and design plan documents; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1                   (ix) the costs of administering the Plan;  
2                   (x) the Board’s assessment concerning whether the Plan is  
3 sustainable and viable;  
4                   (xi) once the marketplace is established:  
5                   (I) the number of individuals participating;  
6                   (II) the number and nature of plans offered; and  
7                   (III) the Board’s process and criteria for vetting plans; and  
8                   (xii) any other information the Board considers relevant, or that  
9 the Committee requests.

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

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

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

20                   Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF  
21                   ESTABLISHING A PUBLIC RETIREMENT PLAN

1 (a) Creation of Committee.

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

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

11 (b) Membership.

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

14 (A) the State Treasurer or designee;

15 (B) the Commissioner of Labor or designee;

16 (C) the Commissioner of Disabilities, Aging, and Independent Living  
17 or designee;

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

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

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

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

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

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

18           (c) Powers and duties.

19           (1)(A) The Committee shall ~~study the feasibility of establishing a~~  
20 develop specific recommendations concerning the design, creation, and  
21 implementation time line of the Multiple Employer Plan (MEP) public

1 retirement plan, ~~including the following~~ pursuant to Sec. C.1 of S.135 (2017)  
2 as enacted, which shall:

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

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

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

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

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

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

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

19 (viii) ~~other programs or incentives the State could pursue in~~  
20 ~~combination with a public retirement plan, or instead of such a plan, in order to~~

1 ~~encourage residents to save and prepare for retirement; and~~ be available on a  
2 voluntary basis to:

3 (I) employers:

4 (aa) with 50 employees or fewer; and

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

7 (II) self-employed individuals;

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

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

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

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

15 (I) set programs terms;

16 (II) prepare and design plan documents; and

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

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

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

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

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

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

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

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

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

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

5                    (2) The Committee shall:

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

9                    (B) further analyze the relationship between the role of states and the  
10                    federal government; and

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

13                    (3) The Committee shall have the assistance of the staff of the Office of  
14                    the Treasurer, the Department of Labor, and the Department of Disabilities,  
15                    Aging, and Independent Living.

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

1 ~~be created, the Committee's report shall include specific recommendations as~~  
2 ~~to the factors listed in subdivision and (c)(1)(B) of this section.~~

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

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

11 \* \* \* Workers' Compensation; VOSHA \* \* \*

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

13 § 210. PENALTIES

14 (a) Upon issuance of a citation under this chapter, the Review Board is  
15 authorized to assess civil penalties for grounds provided in this subsection. In  
16 assessing civil penalties, the Review Board shall follow to the degree  
17 practicable the federal procedures prescribed in rules ~~promulgated~~ adopted  
18 under the Act. The Review Board shall give due consideration to the  
19 appropriateness of the penalty with respect to the size of the business or  
20 operation of the employer being assessed, the gravity of the violation, the good  
21 faith of the employer, and the history of previous violations. Civil penalties

1 shall be paid to the Commissioner for deposit with the State Treasurer, and  
2 may be recovered in a civil action in the name of the State of Vermont brought  
3 in any court of competent jurisdiction. The Commissioner shall not reduce the  
4 assessed penalties in any fiscal year by more than 50 percent.

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

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

15 (3) Any employer who has received a citation for a violation of the  
16 requirements of this Code, or any standard, or rule adopted, or order  
17 ~~promulgated~~ issued pursuant to this Code ~~or of regulations prescribed pursuant~~  
18 ~~to this Code, and such violation~~ if the violation is specifically determined not  
19 to be of a serious nature, may be assessed a civil penalty of up to ~~\$7,000.00~~  
20 \$12,675.00 for each such violation.



1 Department of Labor or successor agency for the 12 months preceding the  
2 previous December 1.

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

6 \* \* \*

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

8 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

9 (a) A Workers' Compensation Administration Fund is created pursuant to  
10 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the  
11 administration of the workers' compensation and occupational disease  
12 programs. The Fund shall consist of contributions from employers made at a  
13 rate of ~~4.75~~ 1.4 percent of the direct calendar year premium for workers'  
14 compensation insurance, one percent of self-insured workers' compensation  
15 losses, and one percent of workers' compensation losses of corporations  
16 approved under this chapter. Disbursements from the Fund shall be on  
17 warrants drawn by the Commissioner of Finance and Management in  
18 anticipation of receipts authorized by this section.

19 \* \* \*

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

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

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

4                     LEADER

5           (a) The Commissioner of Labor shall be the leader of workforce ~~education~~  
6           ~~and training~~ development in the State, and shall have the authority and  
7           responsibility for the coordination of workforce education and training within  
8           State government, including the following duties:

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

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

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

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

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

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

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

5           (G) design and implement criteria and performance measures for  
6 workforce education and training activities; and

7           (H) establish goals for the integrated workforce education and  
8 training system.

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

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

15           (B) amount of funding;

16           (C) activities and training provided;

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

19           (E) employment status of trainees; and

20           (F) future needs for resources.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (d) Eligible activities.

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

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

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

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

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

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

19 (e) [Repealed].

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

4 (1) Training Programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5           § 2703. CAREER PATHWAYS COORDINATOR

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

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

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

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

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

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

3           (5) identify target populations and entry points;

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

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

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

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

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

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

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

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

18                           PILOT PROJECT

19           (a) Findings and purpose.

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

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

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

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

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

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

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

4           (C) coordinate matches between trainees and employers.

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

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

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

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

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

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



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

6           **Sec. F.1. BENEFIT CLIFF; REPORT**

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

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

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

19                           \* \* \* Financial Technology \* \* \*

20           **Sec. G.1. FINANCIAL TECHNOLOGY**

21           (a) The General Assembly finds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19    § 4303. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

16 \* \* \*

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

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

19 § 6001. DEFINITIONS

20 In this chapter:

21 \* \* \*

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

2 \* \* \*

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

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

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

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

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

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

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



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

6 \* \* \*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3                    \* \* \*

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

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

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

14                   \* \* \*

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

16                   § 6081. PERMITS REQUIRED; EXEMPTIONS

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

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

3 \* \* \*

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

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

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

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

3 \* \* \*

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

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

7 \* \* \*

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

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

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

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

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

6 § 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

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

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

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

13 § 2472. DEPARTMENT OF HOUSING AND COMMUNITY  
14 DEVELOPMENT

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

18 \* \* \*

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

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

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

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

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

10 \* \* \*

11 \* \* \* Downtown Tax Credits \* \* \*

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

13 § 5930ee. LIMITATIONS

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

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

19 \* \* \*

20 \* \* \* Tax Credit for Affordable Housing; Captive Insurance Companies \* \* \*

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

1 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

2 (a) As used in this section:

3 \* \* \*

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

9 \* \* \*

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

16 \* \* \*

17 \* \* \* Vermont State Housing Authority; Powers \* \* \*

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

19 § 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT,  
20 MEMBERS, POWERS

21 \* \* \*

1 (e) Notwithstanding any provision of law, no person, ~~domestic or foreign,~~  
2 shall be authorized to administer allocations of money under 42 U.S.C.A.  
3 § 1437a or 1437f or other federal statute authorizing rental subsidies for the  
4 benefit of persons of low or moderate income, except:

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

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

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

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

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

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

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

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



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

- 6 (1) the City of Burlington, Downtown;
- 7 (2) the City of Burlington, Waterfront;
- 8 (3) the Town of Milton, North and South;
- 9 (4) the City of Newport;
- 10 (5) the City of Winooski;
- 11 (6) the Town of Colchester;
- 12 (7) the Town of Hartford;
- 13 (8) the City of St. Albans;
- 14 (9) the City of Barre; ~~and~~
- 15 (10) the Town of Milton, Town Core; and
- 16 (11) the City of South Burlington, New Town Center.

17 \* \* \*

18 § 1894. POWER AND LIFE OF DISTRICT

19 \* \* \*

20 (c) Use of the municipal property tax increment. For only debt incurred  
21 within the period permitted under subdivision (a)(1) of this section after

1 creation of the district, and related costs, not less than an equal share plus five  
2 percent of the municipal tax increment pursuant to subsection (f) of this section  
3 shall be retained to service the debt, beginning the first year in which debt is  
4 incurred, pursuant to subsection (b) of this section.

5 \* \* \*

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

11 \* \* \*

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

13 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT  
14 FINANCING DISTRICTS

15 \* \* \*

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

1 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council  
2 pursuant to this section, subject to the following:

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

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

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

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

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



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

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

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

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

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

19           (B) The municipality has developed a tax increment financing district  
20 plan, including: a project description; a development financing plan; a pro  
21 forma projection of expected costs; a projection of revenues; a statement and

1 demonstration that the project would not proceed without the allocation of a  
2 tax increment; evidence that the municipality is actively seeking or has  
3 obtained other sources of funding and investment; and a development schedule  
4 that includes a list, a cost estimate, and a schedule for public improvements  
5 and projected private development to occur as a result of the improvements.

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

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

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

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

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

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

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

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

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

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

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



1       Sec. J.3. IMPLEMENTATION

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

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

6       Sec. K.1. FINDINGS AND PURPOSE

7               (a) Findings. The General Assembly finds:

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

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

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

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

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

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

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

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

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

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

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

13           (12) A State investment of seed funding would leverage additional  
14           private and philanthropic investment in order to carry out this work and boost  
15           economic development, innovation, and job creation.

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

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

1     § 331. CLIMATE ECONOMY BUSINESS ACCELERATOR PROGRAM

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

6           (1) clean energy development and distribution;

7           (2) thermal and electrical efficiencies in buildings and building  
8     construction;

9           (3) evolving public and private transportation systems;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1                                   \* \* \* Opportunity Economy; H.480 \* \* \*

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

3                                   APPROPRIATION

4           (a) Findings. The General Assembly finds:

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

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

11                                   (3) Each year the Program:

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

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

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

16                                   (4) The average cost per job created through the Program is less than  
17                                   \$3,600.00.

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

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

1 CREDIT-BUILDING SERVICES; FINDINGS; APPROPRIATION

2 (a) Findings. The General Assembly finds:

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

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

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

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

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

18 (b) It is the intent of the General Assembly to provide funding, subject to  
19 available resources, to enable more Vermonters with low income to access  
20 these services.

21 Sec. X.1. EFFECTIVE DATES

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

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

5

6

7        (Committee vote: \_\_\_\_\_)

8

\_\_\_\_\_

9

Representative \_\_\_\_\_

10

FOR THE COMMITTEE