

Side-by-Side Comparison of S.135 An Relating to Promoting Economic Development

**Senate Proposal to
House Proposal to Senate Proposal to House Proposal to Senate Proposal to As Passed House May 5, 2017 @ 5:00 PM**

Sections highlighted in yellow address the same subject but with differences highlighted in yellow within the text

Sections highlighted in turquoise are identical

Subject	Sec. Senate/House		Senate Proposal to House Proposal To Senate Proposal to As Passed House	House Proposal To Senate Proposal to As Passed House
VEGI – purpose statements for enhanced incentives	A.1	A.1	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
VEGI – attestation of compliance with State law	A.1	A.1	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
VEGI – confidentiality of business data	A.1	A.1	<i>[Deleted.]</i>	<i>[Deleted.]</i>
VEGI – Information sharing between VEPC and Tax	A.2.	A.2	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
VEGI – Recommendation for Reporting Compensation Data	-	A.3	<i>As proposed by Senate</i>	<i>As proposed by Senate</i>
Rural Infrastructure Development Initiative	B.1	B.1	As Passed House	As Passed House
Green Mountain Secure Retirement Plan	C.1	C.1	<i>As Passed House</i>	<i>As Passed House</i>
Public Retirement Study Committee	C.2	C.2	<i>As Passed House</i>	<i>As Passed House</i>
VOSHA Penalties	D.1	D.1	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Workers' Compensation %	D.2	D.2	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Workforce Development – Comprehensive Strategy	E.1	E.1	As proposed by Senate	As proposed by Senate
Workforce Development – Career training and planning	E.2	E.2	<i>As Passed House</i>	<i>As Passed House</i>
Workforce Development – Career Pathways Coordinator	-	E.3	[Deleted.]	Sec. E.3. 3. V.S.A. § 2703 is added to read: <u>§ 2703. CAREER PATHWAYS COORDINATOR</u> (a) The Secretary of Administration shall have the authority to create the position of Career Pathways Coordinator within the Agency of Education. (b) The Career Pathways Coordinator shall work under the direction of the State Director for Career Technical Education, and his or her duties shall include the following: (1) serve as the inter-agency point person for the development of a State-approved Career Pathways System; (2) convene stakeholders across the Department of Labor, the Agency of Commerce and Community Development, Agency of Education, Agency of Human Services, the Statewide Workforce

				<p>Development Board, Career Technical Education, employers, postsecondary partners and related entities in order to create a series Career Pathways;</p> <p>(3) curriculum development, stakeholder engagement, process documentation, and identification of key performance indicators, outcomes collection and reporting;</p> <p>(4) engage statewide education, employer, and workforce organizations to co-develop statewide career pathways models and exemplars;</p> <p>(5) identify target populations and entry points;</p> <p>(6) review and develop competency models, required skill sets, and appropriate credentials at each step of a career pathway, in partnership with business and industry representatives;</p> <p>(7) coordinate employer validation of competencies and pathways;</p> <p>(8) develop targeted career ladders and lattices, including stackable skills and industry-recognized credentials;</p> <p>(9) work with CTE Directors to design and endorse elements of Career Pathways;</p> <p>(10) use labor market information and other relevant data to identify critical Career Pathways for the State; and</p> <p>(11) advise the Career Technical Education Director on the funding, governance, and access to career technical education in Vermont.</p>
Workforce Development – Heating pilot project	-	E.4	<i>As Passed House</i>	<i>As Passed House</i>
Workforce Development – CTE dual enrollment MOU	-	E.5	House as amended by conference	House as amended by conference
Minimum Wage Study Benefits Cliff Report	F.1	F.1	<p>Sec. F.1. MINIMUM WAGE STUDY</p> <p>(a) <u>Creation.</u> There is created a Minimum Wage Study Committee.</p> <p>(b) <u>Membership.</u> The Committee shall be composed of the following members:</p> <p>(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House; and</p> <p>(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.</p> <p>(c) <u>Powers and duties.</u> The Committee shall study the following issues:</p> <p>(1) the minimum wage in Vermont and livable wage in Vermont in relation to real cost of living;</p> <p>(2) the economic effects of small to large increases in the Vermont minimum wage, including in relation to the minimum wage in neighboring states;</p> <p>(3) how the potential for improving economic prosperity for Vermonters with low and middle income through the Vermont Earned Income Tax Credit might interact with raising the minimum wage;</p> <p>(4) working in direct collaboration with the Department of Children and Families and the Joint Fiscal Office, the State’s public benefit structure and recommended methods for mitigating or eliminating the benefit cliffs experienced by working Vermonters receiving public assistance, or earning below the livable wage, or both, to enhance work incentives;</p> <p>(5) the effects of potential reductions in federal transfer payments as the minimum wage increases, and impacts of possible reductions in federal benefits due to changes in federal law;</p>	<p>Sec. F.1. BENEFIT CLIFF; REPORT</p> <p>(a) The Commissioner for Children and Families, in consultation with the Joint Fiscal Office, shall evaluate the State’s public benefit structure and recommend methods for mitigating or eliminating the benefit cliffs experienced by working Vermonters receiving public assistance.</p> <p>(b) On or before January 15, 2018, the Commissioner shall submit a report with the results of this evaluation to the House Committees on Human Services, on Commerce and Economic Development, and on Ways and Means and to the Senate Committees on Economic Development, Housing and General Affairs, on Finance, and on Health and Welfare.</p>

			<p>(6) ways to offset losses in State and federal benefits through State benefit programs or State tax policy; and</p> <p>(7) further research to better understand the maximum beneficial minimum wage level in Vermont.</p> <p>(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Joint Fiscal Office, the Office of Legislative Council, the Department of Labor, the Department of Taxes, and the Agency of Human Services.</p> <p>(e) Report. On or before December 1, 2017, the Committee shall submit a written report with its findings and any recommendations for legislative action to the Senate Committee on Economic Development, Housing and General Affairs, and the House Committee on General, Housing and Military Affairs.</p> <p>(f) Meetings.</p> <p>(1) The Joint Fiscal Office shall convene the first meeting of the Committee on or before July 1, 2017.</p> <p>(2) A majority of the membership shall constitute a quorum.</p> <p>(3) The members of the Committee shall select a chair at its first meeting.</p> <p>(4) The Committee shall cease to exist on December 1, 2017.</p> <p>(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than five meetings.</p>	<p>(c) The Commissioner may seek the assistance of the Office of Legislative Council in drafting a recommended legislative proposal arising out of the analysis conducted pursuant to this section.</p>
Financial Technology Study	G.1	G.1	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Housing – Outreach to Municipalities	H.1	H.1	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Housing – Definition of Affordable Housing	H.2	H.2	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Housing – Priority Housing	H.3	H.3	<i>As Passed House</i>	<i>As Passed House</i>
Housing – Priority Housing	H.4	H.4	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Housing – Priority Housing	H.5	H.5	<i>As Passed House</i>	<i>As Passed House</i>
Housing - Stretch Code	H.6	H.6	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Housing – Publication of Data	H.7	H.7	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Housing – Downtown Tax Credit Increase	H.8	H.8	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Housing – Downtown Tax Credit – time of claim	-	H.9	<i>As passed House</i>	<i>As passed House</i>
Housing – Tax Credit for Affordable Housing; Captive	H.9	H.10	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Housing – Vermont State Housing Authority	H.10	H.11	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
Sales and Use Tax; Repeal; Aircraft	I.1	I.1	<i>As Passed Senate and House</i>	<i>As Passed Senate and House</i>
TIF – Finding	-	J	<p><i>Sec. J. TAX INCREMENT FINANCING; FINDINGS</i></p> <p><i>The General Assembly finds that the State of Vermont has an important role to play in creating the infrastructure necessary to support downtown development and revitalization, particularly in distressed communities.</i></p>	<p><i>Sec. J. TAX INCREMENT FINANCING; FINDINGS</i></p> <p><i>The General Assembly finds that the State of Vermont has an important role to play in creating the infrastructure necessary to support downtown development and revitalization, particularly in distressed communities.</i></p>
TIF – Lifting the Cap on new	J.1	J.1	<i>§ 1892. CREATION OF DISTRICT</i>	<i>§ 1892. CREATION OF DISTRICT</i>

<p>districts</p>			<p style="text-align: center;">* * *</p> <p><i>(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district, and the Vermont Economic Progress Council is not authorized to approve any additional tax increment financing districts even if one of the districts named in this subsection is terminated pursuant to subsection 1894(a) of this subchapter:</i></p> <ul style="list-style-type: none"> <i>(1) the City of Burlington, Downtown;</i> <i>(2) the City of Burlington, Waterfront;</i> <i>(3) the Town of Milton, North and South;</i> <i>(4) the City of Newport;</i> <i>(5) the City of Winooski;</i> <i>(6) the Town of Colchester;</i> <i>(7) the Town of Hartford;</i> <i>(8) the City of St. Albans;</i> <i>(9) the City of Barre; and</i> <i>(10) the Town of Milton, Town Core; and</i> <i>(11) the City of South Burlington, New Town Center.</i> 	<p style="text-align: center;">* * *</p> <p><i>(d) The following municipalities have been authorized to use education tax increment financing for a tax increment financing district, and the Vermont Economic Progress Council is not authorized to approve any additional tax increment financing districts even if one of the districts named in this subsection is terminated pursuant to subsection 1894(a) of this subchapter:</i></p> <ul style="list-style-type: none"> <i>(1) the City of Burlington, Downtown;</i> <i>(2) the City of Burlington, Waterfront;</i> <i>(3) the Town of Milton, North and South;</i> <i>(4) the City of Newport;</i> <i>(5) the City of Winooski;</i> <i>(6) the Town of Colchester;</i> <i>(7) the Town of Hartford;</i> <i>(8) the City of St. Albans;</i> <i>(9) the City of Barre; and</i> <i>(10) the Town of Milton, Town Core; and</i> <i>(11) the City of South Burlington.</i>
<p>TIF – General Assembly; annual consideration of additional districts</p>	<p style="text-align: center;">-</p>	<p style="text-align: center;">J.1</p>	<p style="text-align: center;">[Deleted.]</p>	<p>§ 1892. CREATION OF DISTRICT</p> <p style="text-align: center;">* * *</p> <p><u>(e) Annually, the General Assembly may use the estimate of the maximum amount of new long-term net debt that prudently may be authorized for tax increment financing districts in the next fiscal year prepared pursuant to 32 V.S.A. § 305b to determine whether to expand the number of tax increment financing districts.</u></p>
<p>TIF – Additional Districts; Findings; Approval; Criteria</p>	<p style="text-align: center;">J.2</p>	<p style="text-align: center;">J.2</p>	<p>Sec. J.2. 32 V.S.A. § 5404a is amended to read: § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT FINANCING DISTRICTS</p> <p style="text-align: center;">* * *</p> <p>(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply up to 75 percent of the State education property tax increment, and not less than an equal share plus five 10 percent of the municipal tax increment, as defined in 24 V.S.A. § 1896, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:</p> <ul style="list-style-type: none"> <u>(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.</u> <u>(2) The Council shall not approve more than two districts in a single county, and not more than an additional 14 8 districts in the State, provided:</u> <ul style="list-style-type: none"> <u>(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).</u> 	<p>Sec. J.2. ADDITIONAL TIF DISTRICTS; FINDINGS; APPROVAL</p> <p><u>(a) The General Assembly finds that:</u></p> <ul style="list-style-type: none"> <u>(1) the City of Newport has retired its tax increment financing district and all debt incurred in the district was repaid in 2015; and</u> <u>(2) the Town of Colchester voted to dissolve its tax increment financing district in November 2014.</u> <p><u>(b) Notwithstanding 24 V.S.A. § 1892(d), and as a result of the termination of the two tax increment financing districts described in subsection (a) of this section, the Vermont Economic Progress Council is authorized to approve two additional tax increment financing districts.</u></p>

			<p>(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council’s discretion, best meets the economic development needs of the county.</p> <p>(C) If, while the General Assembly is not in session, the Council receives applications for districts that would otherwise qualify for approval but, if approved, would exceed the 14-district limit 8-district limit in the State, the Council shall make one or more presentations to the Emergency Board concerning the applications, and the Emergency Board may, in its discretion, increase the 14-district limit 8-district limit.</p> <p>(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.</p> <p>(B) Upon receiving notification pursuant to subdivision (3)(A) of this subsection, the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.</p> <p>(4) The Council shall not approve any additional districts on or after July 1, 2024 July 1, 2023.</p> <p style="text-align: center;">* * *</p>	
<p>TIF – Municipal Share of Increment</p>	<p>J.1</p>	<p>J.3</p>	<p>§ 1894. POWER AND LIFE OF DISTRICT * * *</p> <p>(c) Use of the municipal property tax increment. For only debt incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, not less than an equal share plus five 10 percent of the municipal tax increment pursuant to subsection (f) of this section shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subsection (b) of this section.</p> <p style="text-align: center;">* * *</p> <p>(f) Equal share required. If any tax increment utilization is approved pursuant to 32 V.S.A. § 5404a(h), no more than 75 percent of the State property tax increment and no less than an equal percent, plus five 10 percent, of the municipal tax increment may be approved by the Council or used by the municipality to service this debt.</p> <p style="text-align: center;">* * *</p>	<p>§ 1894. POWER AND LIFE OF DISTRICT * * *</p> <p>(c) Use of the municipal property tax increment. For only debt incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, not less than an equal share 100 percent of the municipal tax increment pursuant to subsection (f) of this section shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subsection (b) of this section.</p> <p style="text-align: center;">* * *</p> <p>(f) Equal share required Required share of increment. If any tax increment utilization is approved pursuant to 32 V.S.A. § 5404a(h), no not more than 75 percent of the State property tax increment and no not less than an equal percent 100 percent of the municipal tax increment may be approved by the Council or used by the municipality to service this debt.</p> <p style="text-align: center;">* * *</p>
<p>TIF – Emergency Board Estimate</p>	<p>-</p>	<p>J.4</p>	<p>[Deleted.]</p>	<p>Sec. J.4. 32 V.S.A. § 305b is added to read: § 305b. EDUCATION PROPERTY TAX INCREMENT; EMERGENCY BOARD ESTIMATE</p> <p>(a) <u>Annually, at the January meeting of the Emergency Board held pursuant to section 305a of this title, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board a consensus estimate of forgone revenue from the Education Fund resulting from the retention of education property tax increment by tax increment financing districts authorized pursuant to 24 V.S.A. chapter 53 and section 5404a of this title. The estimate shall be for the succeeding fiscal year. The Emergency Board shall adopt an official estimate of forgone revenue from the Education Fund at the January</u></p>

				<p><u>meeting.</u></p> <p><u>(b) Annually, on or before September 30 of each year, the Emergency Board shall review the size and affordability of the net indebtedness for tax increment financing districts and submit to the Governor and to the General Assembly an estimate of the maximum amount of new long-term net debt that prudently may be authorized for tax increment financing districts in the next fiscal year. The estimate of the Board shall be advisory, and shall take into consideration:</u></p> <p><u>(1) any existing or new debt incurred by authorized tax increment financing districts; and</u></p> <p><u>(2) the impact of the amount of the indebtedness on the General and Education Funds.</u></p>
TIF – General Fund transfer to Education Fund	-	J.5	[Deleted.]	<p>Sec. J.5. 16 V.S.A. § 4025 is amended to read:</p> <p>§ 4025. EDUCATION FUND</p> <p>(a) An <u>The</u> Education Fund is established to comprise the following:</p> <p>(1) All revenue paid to the State from the statewide education tax on nonresidential and homestead property under 32 V.S.A. chapter 135.</p> <p>(2) For each fiscal year, the amount of the general funds appropriated and transferred to the Education Fund shall be \$305,900,000.00, to be increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent, <u>plus an amount equal to one-half of the official estimate of forgone revenue from the Education Fund adopted by the Emergency Board pursuant to section 305b of this title.</u></p> <p style="text-align: center;">* * *</p>
TIF – VEPC Criteria for Approval	J.2	J.6	<p>(h) Criteria for approval. To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:</p> <p><u>(1) Review each application to determine that the new real property proposed infrastructure improvements and the proposed development would not have occurred or would have occurred in a significantly different and less desirable manner but for the proposed utilization of the incremental tax revenues. The review shall take into account:</u></p> <p>(A) the amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;</p> <p>(B) how the proposed development components and size would differ, if at all, without education property tax increment financing, <u>including, if applicable to the development, the number of units of affordable housing, as defined in 24 V.S.A. § 4303;</u> and</p>	<p>(h) Criteria for approval. To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:</p> <p><u>(1) Review Conduct a review of each application to determine that the new real property development would not have occurred or would have occurred in a significantly different and less desirable manner but for the proposed utilization of the incremental tax revenues. The review that shall take into account:</u></p> <p>(A) the amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;</p> <p>(B) how the proposed development components and size would differ, if at all, <u>including, if applicable to the development, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303,</u> without education property tax increment financing; and</p>

		<p>(C) the amount of additional revenue expected to be generated as a result of the proposed development; the percentage of that revenue that shall be paid to the education fund; the percentage that shall be paid to the municipality; and the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.</p> <p style="text-align: center;">* * *</p> <p>(3) Location criteria. Determine that each application meets one of the following criteria:</p> <p>(A) The development or redevelopment is compact, high density, and located in or near existing industrial areas.</p> <p>(B) The proposed district is within an approved growth center, designated downtown, designated village center, or new town center, <u>or neighborhood development area.</u></p> <p>(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values <u>municipality in which the area is located has at least one of the following:</u></p> <p style="padding-left: 20px;"><u>(i) a median family income that is 80 percent or less of the statewide median family income as reported by the Vermont Department of Taxes for the most recent year for which data is available;</u></p> <p style="padding-left: 20px;"><u>(ii) an annual average unemployment rate that is at least one percent greater than the latest annual average statewide unemployment rate as reported by the Vermont Department of Labor; or</u></p> <p style="padding-left: 20px;"><u>(iii) a median sales price for residential properties under six acres that is 80 percent or less than the statewide median sales price for residential properties under six acres as reported by the Vermont Department of Taxes.</u></p> <p>(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least three two <u>of the following five four</u> criteria:</p> <p>(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.</p> <p>(B) The development includes new <u>or rehabilitated affordable</u> housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. "Affordable" has the same meaning as in 10 V.S.A. § 6001(29), as defined in 24 V.S.A. § 4303.</p> <p>(C)<u>(B)</u> The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, "brownfield" means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.</p> <p>(D)<u>(C)</u> The development will include at least one entirely new business or business operation or expansion of an existing business within the district, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage</p>	<p>(C) the amount of additional revenue expected to be generated as a result of the proposed development; the percentage of that revenue that shall be paid to the education fund <u>Education Fund</u>; the percentage that shall be paid to the municipality; and the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.</p> <p style="text-align: center;">* * *</p> <p>(3) Location criteria. Determine that each application meets one of the following criteria:</p> <p>(A) The development or redevelopment is compact, high density, and located in or near existing industrial areas.</p> <p>(B) The proposed district is within an approved growth center, designated downtown, designated village center, or new town center, <u>or neighborhood development area.</u></p> <p>(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values <u>municipality in which the area is located has at least one of the following:</u></p> <p style="padding-left: 20px;"><u>(i) a median family income that is not more than 80 percent of the statewide median family income as reported by the Vermont Department of Taxes for the most recent year for which data are available;</u></p> <p style="padding-left: 20px;"><u>(ii) an annual average unemployment rate that is at least one percent greater than the latest annual average statewide unemployment rate as reported by the Vermont Department of Labor; or</u></p> <p style="padding-left: 20px;"><u>(iii) a median sales price for residential properties under six acres that is not more than 80 percent of the statewide median sales price for residential properties under six acres as reported by the Vermont Department of Taxes.</u></p> <p>(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least three <u>of the following five</u> criteria:</p> <p>(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.</p> <p>(B) The development includes new <u>or rehabilitated affordable</u> housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. "Affordable" has the same meaning as in 10 V.S.A. § 6001(29), as defined in 24 V.S.A. § 4303.</p> <p>(C) The project will affect the remediation and redevelopment of a brownfield located within the district. As used in this section, "brownfield" means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.</p> <p>(D) The development will include at least one entirely new business or business operation or expansion of an existing business within the district, and this business will provide new, <u>quality high-quality</u>, full-time jobs that meet or exceed the prevailing wage for the region as reported by the department of labor <u>Department of Labor</u>.</p>
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			for the region as reported by the department of labor. (E)(D) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems. * * *	(E) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.
TIF – Implementation	J.3	J.9	Sec. J.3. IMPLEMENTATION <u>Secs. J.1 and J.2</u> of this act shall apply only to tax increment financing district applications filed, and districts approved, on or after the date of passage of this act.	Sec. J.9. IMPLEMENTATION <u>Secs. J.1– J.3 and J.6</u> of this act shall apply only to tax increment financing district applications filed, and districts approved, on or after the date of passage of this act.
TIF – Capacity Study	-	J.10	[Deleted.]	Sec. J.10. TAX INCREMENT FINANCING CAPACITY (a) The Joint Fiscal Office, with the assistance of the consulting Legislative Economist, the Department of Taxes, and Agency of Commerce and Community Development, shall examine the use of tax increment financing districts (TIFs) and report on the capacity of Vermont to utilize TIFs moving forward. The report shall recommend a sustainable capacity level for TIFs statewide and identify factors for permitting TIFs, including: (1) the impact of TIFs on the State fiscal health, including the General Fund and Education Fund; (2) the economic development impacts on the State, both positive and negative; (3) the mechanics for ensuring geographic diversity of TIFs throughout the State; and (4) the parameters of TIFs in other states. (b) The report in this section shall be made to the General Assembly on or before January 15, 2018.
Municipal TIF Districts	-	J.7-J.8	[Deleted.]	Sec. J.7. 24 V.S.A. chapter 53, subchapter 5 is redesignated to read: Subchapter 5. <u>Statewide</u> Tax Increment Financing Sec. J.8. 24 V.S.A. chapter 53, subchapter 6 is added to read: Subchapter 6. <u>Municipal</u> Tax Increment Financing § 1903. DEFINITIONS As used in this subchapter: (1) “District” or “TIF” means a tax increment financing district. (2) “Improvements” means the installation, new construction, or reconstruction of infrastructure to benefit a municipal tax increment financing district, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, and site preparation. (3) “Legislative body” means the mayor and alderboard, the city council, the selectboard, or the president and trustees of an incorporated village, as appropriate. (4) “Municipality” means a city, town, or incorporated village. (5) “Original taxable value” means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district as of the creation date as set forth in section 1904 of this subchapter, provided that no parcel within the district shall be divided or bisected by the district boundary. (6) “Related costs” means expenses incurred and paid by the municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of a municipal tax increment financing district, including reimbursement of sums previously advanced by the municipality for those purposes, direct municipal expenses such as departmental or personnel costs related to creating or administering the project, and audit costs allocable to the district. § 1904. MUNICIPAL TAX INCREMENT FINANCING DISTRICT

				<p><u>(a) General authority. Notwithstanding any provision of subchapter 5 of this chapter or 32 V.S.A. § 5404a to the contrary, upon approval of the legislative body of any municipality, a municipality may create a municipal tax increment financing district, and may incur debt to provide funding for improvements and related costs for the district.</u></p> <p><u>(b) Municipal approval; voter approval.</u></p> <p><u>(1) The legislative body of the municipality shall hold one or more public hearings to consider a municipal tax increment financing plan. Following public notice, hearing, and opportunity to comment, the legislative body of the municipality may grant approval of the plan.</u></p> <p><u>(2) When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor, and the creation of the district shall occur at 12:01 a.m. on April 1 of the calendar year so voted by the municipal legislative body.</u></p> <p><u>(3) The municipality may only incur debt for the project if the voters of the municipality approve the debt obligation by a majority vote at a regular or special meeting for which voting upon the debt obligation was properly warned.</u></p> <p><u>(4) Following final voter approval, the municipality has up to five years to incur debt pursuant to the financing plan.</u></p> <p><u>(c) Life of district.</u></p> <p><u>(1) A municipality may incur indebtedness against revenues of the municipal tax increment financing district over any period authorized by the legislative body of the municipality.</u></p> <p><u>(2) Any indebtedness incurred under subdivision (1) of this subsection may be retired over any period authorized by the legislative body of the municipality.</u></p> <p><u>(3) The district shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, after the period authorized by the legislative body of the municipality to incur indebtedness.</u></p> <p><u>(d) Financing. During the life of an active district, the following apply, notwithstanding any provision of law to the contrary:</u></p> <p><u>(1) Valuation.</u></p> <p><u>(A) Within 30 days of voter approval pursuant to subsection (b) of this section, the lister or assessor for a municipality shall certify to the legislative body of the municipality the original taxable value of a tax increment financing district as of the date the voters approved the debt obligation.</u></p> <p><u>(B) On or before June 30 following voter approval and annually thereafter, the lister or assessor shall assess and certify to the legislative body the current value of a project parcel.</u></p> <p><u>(2) Tax rate.</u></p> <p><u>(A) The lister or assessor shall use the original taxable value of a project parcel when computing the municipal tax rate.</u></p> <p><u>(B) When calculating the amount of tax due on a project parcel, the treasurer shall apply the municipal tax rate to the current assessed value, rather than the original taxable value.</u></p> <p><u>(3) Tax increment.</u></p> <p><u>(A) The "tax increment" is the amount of tax paid on a project parcel, as calculated pursuant to subdivision (2)(B) of this subsection (d) using the current assessed value, that exceeds the amount of tax that would have been due if the tax rate were applied to the original taxable value.</u></p> <p><u>(B) The municipality may retain any share of the municipal tax increment to service the debt, beginning the first year in which debt is incurred.</u></p> <p><u>(C) A municipal tax increment financing district created pursuant to this subchapter is not authorized to retain any education property tax increment.</u></p> <p><u>(D) A municipality shall segregate the tax increment in a special account and in its official books and records.</u></p> <p><u>(4) Use of tax increment.</u></p> <p><u>(A) As of each date the municipality receives a tax payment and retains a portion of the tax increment pursuant to this section, the municipality shall use the portion of the municipal tax increment that is necessary to pay costs actually incurred as of that date for debt service and related costs.</u></p> <p><u>(B) If, after paying for improvements and related costs, there remains any excess portion of the tax increment, the municipality may retain the increment to prepay principal and interest on the financing, use for future financing payments, or use for defeasance of the financing.</u></p>
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<p>Climate Economy Accelerator</p>	<p>-</p>	<p>K.1- K.2</p>	<p>[Deleted.]</p>	<p>Sec. K.1. FINDINGS AND PURPOSE <u>(a) Findings. The General Assembly finds:</u> <u>(1) Vermont needs to attract and support entrepreneurs, youths, and investors to reinvigorate its economy, today and for the future.</u> <u>(2) Vermont has a tremendous opportunity to systematically advance economic activity that addresses the challenge of climate change by reducing and mitigating carbon impacts, while spurring innovation and creativity, encouraging entrepreneurship, attracting youths, and building jobs for the future.</u> <u>(3) Vermont's unique environmental image, strong brand recognition nationally, quality of life, and history of entrepreneurship and invention provides an opportunity to position the State as a premier place to establish new businesses whose mission, products, and services can help society and our economy mitigate the effects of climate change.</u> <u>(4) The goal of quality job creation as part of the State's economic development policy is dependent on providing support for the start-up and expansion of small businesses sectors of our economy.</u> <u>(5) The Vermont Sustainable Jobs Fund, the Vermont Council on Rural Development, and a working group of business, finance, and economic development leaders, are developing the Climate Economy Business Accelerator Program to grow entrepreneurial opportunities and provide a network for businesses to promote their solutions, products, and services that can lead to collaboration and innovation.</u> <u>(6) The Accelerator Program aims to accelerate the creation and growth of entrepreneurs that commercialize business solutions to address the negative impacts of climate change and position our State as the place to come and build businesses that export solutions for a changing climate worldwide.</u> <u>(7) Nationally, business accelerators have led to the growth of start-up companies, job creation, and enhanced entrepreneurial activity in a region. Most accelerators are located in major cities and throughout Canada. There are over 150 business accelerators in the United States at this time.</u> <u>(8) Neither Vermont, nor other New England States, have an accelerator program to support start-up businesses and serve the needs of both rural and urban businesses.</u> <u>(9) In early 2017 a climate change-related accelerator will launch in Philadelphia with a focus on technology development related to agriculture and water.</u> <u>(10) The Vermont Sustainable Jobs Fund program (VSJF) was created in 1995 to accelerate the development of Vermont's green economy. Per its enabling statute, VSJF focuses its development efforts on particular economic sectors by supporting the business assistance and financing needs of businesses in these sectors.</u> <u>(11) To date, VSJF has concentrated on working with early-stage and growth-stage businesses in the green economy, primarily due to a lack of sufficient funding support to work with start-up businesses. Additional funding for VSJF's Accelerator Program will enable it to fulfill its statutory mission.</u> <u>(12) A State investment of seed funding would leverage additional private and philanthropic investment to carry out this work and boost economic development, innovation, and job creation.</u> <u>(b) Purpose. The purpose of Sec. K.2 of this act is to create a statutory framework to authorize the creation of the Climate Economy Business Accelerator Program capable of attracting and retaining young entrepreneurs in the State and to position Vermont as a national leader in climate economy innovation.</u> <u>(c) Intent. The General Assembly does not intend that the Climate Economy Business Accelerator Program in the current fiscal year will be a recipient of General Fund appropriations. Rather, the intent of this section is to authorize the Vermont Sustainable Jobs Fund to establish the Program and allow it to seek targeted investment through public-private partnerships from other funding sources if available.</u></p> <p>Sec. K.2. 10 V.S.A. § 331 is added to read:</p>

				<p>§ 331. CLIMATE ECONOMY BUSINESS ACCELERATOR PROGRAM <u>(a) Definition. In this section “climate economy” means the work performed by businesses whose products and services are designed to reduce, mitigate, or prepare for the negative impacts of climate change on human systems, including:</u> <u>(1) clean energy development and distribution;</u> <u>(2) thermal and electrical efficiencies in buildings and building construction;</u> <u>(3) evolving public and private transportation systems;</u> <u>(4) energy and efficiency innovations in the working lands economy;</u> <u>(5) recycling, reuse, and renewal of resources; and</u> <u>(6) resilience technologies, such as soil-sensing devices.</u> <u>(b) Program implementation. The Vermont Sustainable Jobs Fund shall have the authority to design and implement a Climate Economy Business Accelerator Program as follows:</u> <u>(1) Assemble a team of experienced program partners, mentors, investors, and business content providers to design and deliver a high quality experience to Accelerator Program cohort participants.</u> <u>(2) Recruit and select a cohort of at least 10 start-up and early-stage businesses to participate together in a three-to-four-month intensive program of training, mentoring, and investment opportunities.</u> <u>(3) Assist cohort members in clarifying the market for their products, evaluating the needs of their management teams, defining their business models, articulating their unique values, and securing needed investment capital.</u> <u>(4) Develop an evaluation and metrics capture process compatible with Results-Based Accountability and begin tracking results.</u> <u>(5) Develop a network of climate economy related businesses to work alongside the Accelerator Program in order to connect cohort members with the business community to spark business-to-business collaboration, stimulate additional job growth in the climate economy sector, and provide ongoing support as their businesses mature.</u> <u>(6) Raise additional program funding as needed from sponsors, partners, private foundations, and federal agencies to leverage State general funds.</u> <u>(c) Outcomes. The outcomes of the Program shall include:</u> <u>(1) Increase the success rate of start-up businesses in the climate economy sector in Vermont.</u> <u>(2) Create jobs in the climate economy sector.</u> <u>(3) Attract and retain young entrepreneurs who develop climate economy businesses in Vermont to serve local, national, and global markets.</u> <u>(4) Attract equity and venture capital to emerging climate economy start-up businesses in Vermont.</u></p>
<p>Business Incubator and Accelerator Conference</p>	<p>-</p>	<p>K.3</p>	<p>[Deleted.]</p>	<p>Sec. K.3 BUSINESS INCUBATOR AND ACCELERATOR CONFERENCE <u>The Agency of Commerce and Community Development, in collaboration with the Center for Entrepreneurial Programs at Castleton University, shall have the authority to convene the first annual “Business Incubator and Accelerator Conference,” which shall be designed to facilitate networking, collaboration, and the exchange of ideas among business professionals and entrepreneurs, including those involved in incubators, microbusiness development programs, the Vermont Center for Emerging Technologies, accelerators, regional development corporations, and businesses.</u></p>
<p>CAA - Microbusiness Development</p>	<p>-</p>	<p>L.1</p>	<p>[Deleted.]</p>	<p>Sec. L.1. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS; APPROPRIATION <u>(a) Findings. The General Assembly finds:</u> <u>(1) Since 1989, the Microbusiness Development Program has provided free business technical assistance, including training and counseling, as well as access to capital to Vermonters with low income.</u> <u>(2) The Vermont Community Action Agencies work in conjunction with many partners, including other service providers, State agencies, business technical assistance providers, and both traditional and alternative lenders.</u> <u>(3) Each year the Program:</u> <u>(A) enables the creation or expansion of an average of 145 businesses across Vermont;</u> <u>(B) supports the creation of 84 new jobs; and</u></p>

				<p>(C) provides access to more than \$1,100,000.00 in capital. (4) The average cost per job created through the Program is less than \$3,600.00. (b) Intent. It is the intent of the General Assembly to provide additional funding, subject to available resources, for the regional Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.</p>
CAA - Financial Education	-	L.2	[Deleted.]	[Deleted.]
Small Business Development Center	-	M.1	[Deleted.]	<p>Sec. M.1. SMALL BUSINESS DEVELOPMENT CENTER In fiscal year 2018, it is the intent of the General Assembly to provide funding, subject to available resources, to the Vermont Small Business Development Center (SBDC) as follows: (1) for the purpose of increasing the number of SBDC business advisors, with priority to underserved regions of the State; and (2) for the purpose of fully funding the SBDC technology commercialization advisor position.</p>
Economic Development Marketing	-	M.2	[Deleted.]	<p>Sec. M.2. ECONOMIC DEVELOPMENT MARKETING (a) The Agency of Commerce and Community Development shall have the authority, and may use available funds, to: (1) implement the Department of Economic Development’s economic development marketing plan to attract and retain residents and businesses to Vermont, highlighting the many positive features that make Vermont a great place to live, work, and do business; and (2) prioritize marketing tactics with the potential to shift most efficiently and effectively perceptions about Vermont as a place to live and work, and that will form a set of marketing assets and strategic framework to sustain Department of Economic Development activities beyond initial implementation. (b) Funds available to implement this section may be matched with federal funds, special funds, grants, donations, and private funds. To increase the amount and effectiveness of marketing activities conducted, the Agency shall collaborate with private sector partners to maximize State marketing resources and to enable Vermont businesses to align their own brand identities with the Vermont brand, enhancing the reputations of both the business and the State. (c) For any economic development marketing plan implemented pursuant to this section, the Secretary of Commerce and Community Development shall establish performance measures that support strategic priorities, including strengthening the State economy, before disbursing funds.</p>
Wood Products Manufacturers Incentive	-	M.3	[Deleted.]	<p>Sec. M.3. 2014 Acts and Resolves No. 179, Sec. G.100(b), as amended by 2015 Acts and Resolves No. 51, Sec. G.9, and 2016 Acts and Resolves No. 172, Sec. E.801, is further amended to read: (b) Sec. E.100.6 (wood products manufacture incentive) shall take effect retroactively on January 1, 2014 and apply to tax years 2014, 2015, and 2016, 2017, and 2018.</p>
Effective Dates	K.1	N.1	<p>TIF – Passage Remainder – July 1, 2017 Sec. E.1 Effective Date: On Passage</p>	<p>TIF – Passage Remainder – July 1, 2017 Sec. E.1 Effective Date: On Passage</p>