

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 90
16 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 20
21 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 § 3102. CONFIDENTIALITY OF TAX RECORDS

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

10 * * *

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

12 * * *

13 (5) to the Attorney General, if such return or return information relates
14 to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for
15 purposes of investigating potential violations of and enforcing 7 V.S.A. chapter
16 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19,
17 subchapters 1A and 1B;

18 (6) to the Vermont Economic Progress Council, provided that the
19 disclosure relates to a successful business applicant under chapter 105,
20 subchapter 2 of this title and the incentive it has claimed and is reasonably
21 necessary for the Council to perform its duties under that subchapter.

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

5 * * *

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

18 * * *

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

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

1 CHAPTER 138. RURAL ECONOMIC DEVELOPMENT

2 INFRASTRUCTURE DISTRICTS

3 § 5701. PURPOSE

4 The purpose of this chapter is to enable formation of special municipal
5 districts to finance, own, and maintain infrastructure that provides economic
6 development opportunities in rural and underresourced communities.
7 Specifically, this chapter provides mechanisms for public and private
8 partnerships, including opportunities for tax-incentivized financing and
9 voluntary citizen engagement, to help overcome density and economic
10 hardship.

11 § 5702. ESTABLISHMENT; GENERAL PROVISIONS

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

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

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

16 (c) Alteration of district limits. The legislative body of a municipality in
17 which a district is located may alter the limits of a district upon application to
18 the governing board of the district, provided the governing board gives prior
19 written consent. A district expansion need not involve contiguous property.
20 Notice of an alteration of the limits of a district shall be recorded as provided
21 in subsection (e) of this section, posted in at least three public places within the

1 municipality for at least 30 days, and published in a newspaper of general
2 circulation within the municipality not more than 10 days from the date of the
3 legislative body’s decision to alter the limits of a district.

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

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

20 (e) Recording. A record of the establishment of a district and any alteration
21 of district limits made by a legislative body shall be filed with the clerk of each

1 municipality in which the district is located, and shall be recorded with the
2 Secretary of State.

3 § 5703. LIMITATIONS; TAXES; INDEBTEDNESS

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

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

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

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

13 § 5704. GOVERNING BOARD; COMPOSITION; MEETINGS; REPORT

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

18 (b) Composition. The first governing board of the district shall consist of
19 four to eight members appointed in equal numbers by the legislative bodies of
20 the underlying municipalities. It shall draft the district's bylaws specifying the
21 size, composition, and manner of appointing members to the permanent

1 governing board. The bylaws shall require that a majority of the board shall be
2 appointed annually by the legislative bodies of the underlying municipalities.
3 Board members shall serve staggered, three-year terms, and shall be eligible to
4 serve successive terms. The legislative bodies of the municipalities in which
5 the district is located shall fill board vacancies, and may remove board
6 members at will.

7 (c) First meeting. The first meeting of the district shall be called upon 30
8 days' posted and published notice by a presiding officer of a legislative body
9 in which the district is located. Voters within a municipality in which the
10 district is located are eligible to vote at annual and special district meetings. At
11 the first meeting of the district, and at each subsequent annual meeting, there
12 shall be elected from among board members a chair, vice chair, clerk, and
13 treasurer who shall assume their respective offices upon election. At the first
14 meeting, the fiscal year of the district shall be established and rules of
15 parliamentary procedure shall be adopted. Prior to assuming their offices,
16 officers may be required to post bond in such amounts as determined by
17 resolution of the board. The cost of such bond shall be borne by the district.

18 (d) Annual and special meetings. Unless otherwise established by the
19 voters, the annual district meeting shall be held on the second Monday in
20 January and shall be warned by the clerk or, in the clerk's absence or neglect,
21 by a member of the board. Special meetings shall be warned in the same

1 manner on application in writing by five percent of the voters of the district. A
2 warning for a district meeting shall state the business to be transacted. The
3 time and place of holding the meeting shall be posted in two or more public
4 places in the district not more than 40 days nor less than 30 days before the
5 meeting and recorded in the office of the clerk before the same is posted.

6 (e) Annual report. The district shall report annually to the legislative
7 bodies and the citizens of the municipalities in which the district is located on
8 the results of its activities in support of economic growth, job creation,
9 improved community efficiency, and any other benefits incident to its
10 activities.

11 § 5705. OFFICERS

12 (a) Generally. The district shall elect at its first meeting and at each annual
13 meeting thereafter a chair, vice chair, clerk, and treasurer, who shall hold
14 office until the next annual meeting and until others are elected. The board
15 may fill a vacancy in any office.

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

20 (c) Vice chair. During the absence of or inability of the chair to render or
21 perform his or her duties or exercise his or her powers, the same shall be

1 performed and exercised by the vice chair and when so acting, the vice chair
2 shall have all the powers and be subject to all the responsibilities given to or
3 imposed upon the chair. During the absence or inability of the vice chair to
4 render or perform his or her duties or exercise his or her powers, the board
5 shall elect from among its members an acting vice chair who shall have the
6 powers and be subject to all the responsibilities given or imposed upon the vice
7 chair.

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

10 (e) Treasurer. The treasurer of the district shall be appointed by the board,
11 and shall serve at its pleasure. The treasurer shall have the exclusive charge
12 and custody of the funds of the district and shall be the disbursing officer of the
13 district. When authorized by the board, the treasurer may sign, make, or
14 endorse in the name of the district all checks and orders for the payment of
15 money and pay out and disburse the same and receipt therefor. The treasurer
16 shall keep a record of every obligation issued and contract entered into by the
17 district and of every payment made. The treasurer shall keep correct books of
18 account of all the business and transactions of the district and such other books
19 and accounts as the board may require. The treasurer shall render a statement
20 of the condition of the finances of the district at each regular meeting of the
21 board and at such other times as required of the treasurer. The treasurer shall

1 prepare the annual financial statement and the budget of the district for
2 distribution, upon approval of the board, to the legislative bodies of district
3 members. Upon the treasurer’s termination from office by virtue of removal or
4 resignation, the treasurer shall immediately pay over to his or her successor all
5 of the funds belonging to the district and at the same time deliver to the
6 successor all official books and papers.

7 § 5706. AUDIT

8 Once the district becomes operational, the board shall cause an audit of the
9 financial condition of the district to be performed annually by an independent
10 professional accounting firm.

11 § 5707. COMMITTEES

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

15 Membership on other committees established by the board is not restricted to
16 board members.

17 § 5708. DISTRICT POWERS

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

19 (1) exercise independently and in concert with other municipalities any
20 other powers which are necessary or desirable for the installation, ownership,
21 operation, maintenance, and disposition of infrastructure promoting economic

1 development in rural communities and matters of mutual concern and that are
2 exercised or are capable of exercise by any of its members;

3 (2) enter into municipal financing agreements as provided by sections
4 1789 and 1821-1828 of this title, or other provisions authorizing the pledge of
5 net revenue, or alternative means of financing capital improvements and
6 operations;

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

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

10 (5) operate, cause to be operated, or contract for the construction,
11 ownership, management, financing, and operation of an enterprise which a
12 municipal corporation is authorized by law to undertake;

13 (6) hire employees and fix the compensation and terms of employment;

14 (7) contract with individuals, corporations, associations, authorities, and
15 agencies for services and property, including the assumption of the liabilities
16 and assets thereof, provided that no assumed liability shall be a general
17 obligation of either the district or a municipality in which the district is located;

18 (8) contract with the State of Vermont, the United States of America, or
19 any subdivision or agency thereof for services, assistance, and joint ventures;

20 (9) contract with any municipality for the services of any officers or
21 employees of that municipality useful to it;

1 (10) promote cooperative arrangements and coordinated action among
2 its members and other public and private entities;

3 (11) make recommendations for review and action to its members and
4 other public agencies that perform functions within the region in which its
5 members are located;

6 (12) sue and be sued; provided, however, that the property and assets of
7 the district, other than such property as may be pledged as security for a district
8 obligation, shall be subject to levy, execution, or attachment;

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

12 (14) establish sinking and reserve funds for retiring and securing its
13 obligations;

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

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

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

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

1 § 5709. DISSOLUTION

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

18 (b) The plan of dissolution shall:

19 (1) identify and value all unencumbered assets;

20 (2) identify and value all encumbered assets;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (c) The Plan shall:

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

11 (A) employers:

12 (i) with 50 employees or fewer; and

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

15 (B) self-employed individuals;

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

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

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

- 1 (5) be overseen by a board that shall:
2 (A) set program terms;
3 (B) prepare and design plan documents; and
4 (C) be authorized to appoint an administrator to assist in the selection
5 of investments, managers, custodians, and other support services.

6 (d) The State of Vermont shall implement the “Green Mountain Secure
7 Retirement Plan” on or before January 15, 2019, based on the
8 recommendations of the Public Retirement Plan Study Committee as set forth
9 in Sec. C.2 of this act.

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

11 Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF
12 ESTABLISHING A PUBLIC RETIREMENT PLAN

13 (a) Creation of Committee.

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

16 (2) It is the intent of the General Assembly that the Committee continue
17 the work of the Public Retirement Plan Study Committee created in 2014 Acts
18 and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves
19 No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop
20 specific recommendations concerning the design, creation, and implementation
21 of the Multiple Employer Plan (MEP), and the board that will oversee the plan,

1 pursuant to in Sec. C.1 of this act and as set forth in the January 6, 2017 report
2 issued by the Committee.

3 (b) Membership.

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

6 (A) the State Treasurer or designee;

7 (B) the Commissioner of Labor or designee;

8 (C) the Commissioner of Disabilities, Aging, and Independent Living
9 or designee;

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

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

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

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

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

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

10 (c) Powers and duties.

11 (1)(A) The Committee shall ~~study the feasibility of establishing a~~
12 develop specific recommendations concerning the design, creation, and
13 implementation time line of the Multiple Employer Plan (MEP) public
14 retirement plan, including the following pursuant to Sec. C.1 of this act, which
15 shall:

16 (i) ~~the access Vermont residents currently have to employer-~~
17 ~~sponsored retirement plans and the types of employer-sponsored retirement~~
18 ~~plans;~~

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

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

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

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

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

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

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

16 (I) employers:

17 (aa) with 50 employees or fewer; and

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

20 (II) self-employed individuals;

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

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

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

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

8 (I) set programs terms;

9 (II) prepare and design plan documents; and

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

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

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

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

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

20 ~~(iv) whether such a plan should impose any obligation or liability~~
21 ~~upon private sector employers; The Committee, and thereafter the board that~~

1 will oversee the MEP, shall study and make specific recommendations

2 concerning:

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

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

12 (iii) the composition, membership, and powers of the board that
13 shall oversee the MEP;

14 (iv) if after three years there remain significant numbers of
15 Vermonters who are not covered by a retirement plan, methods to increase
16 participation in the MEP; and

17 (v) any other issue the Committee deems relevant.

18 (2) The Committee shall:

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

1 (B) further analyze the relationship between the role of states and the
2 federal government; and

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

5 (3) The Committee shall have the assistance of the staff of the Office of
6 the Treasurer, the Department of Labor, and the Department of Disabilities,
7 Aging, and Independent Living.

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

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

20 (f) Reimbursement. For attendance at meetings, members of the
21 Committee who are not employees of the State of Vermont shall be reimbursed

1 at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for
2 mileage and travel expenses.

3 * * * Workers' Compensation; VOSHA * * *

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

5 § 210. PENALTIES

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

18 (1) Any employer who willfully or repeatedly violates the requirements
19 of this Code or any standard, or rule adopted, or order ~~promulgated~~ issued
20 pursuant to this Code ~~or regulations prescribed pursuant to this Code~~ may be

1 assessed a civil penalty of not more than ~~\$70,000.00~~ \$126,749.00 for each
2 violation, but not less than \$5,000.00 for each willful violation.

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

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

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

1 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

2 (a) A Workers' Compensation Administration Fund is created pursuant to
3 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the
4 administration of the workers' compensation and occupational disease
5 programs. The Fund shall consist of contributions from employers made at a
6 rate of ~~4.75~~ 1.4 percent of the direct calendar year premium for workers'
7 compensation insurance, one percent of self-insured workers' compensation
8 losses, and one percent of workers' compensation losses of corporations
9 approved under this chapter. Disbursements from the Fund shall be on
10 warrants drawn by the Commissioner of Finance and Management in
11 anticipation of receipts authorized by this section.

12 * * *

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

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

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

16 LEADER

17 (a) The Commissioner of Labor shall be the leader of workforce ~~education~~
18 ~~and training~~ development in the State; and shall have the authority and
19 responsibility for the coordination of workforce education and training within
20 State government, including the following duties:

1 (1) Perform the following duties in consultation with the State

2 Workforce Development Board:

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

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

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

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

14 (E) ensure coordination and non-duplication of workforce education
15 and training activities;

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

18 (G) design and implement criteria and performance measures for
19 workforce education and training activities; and

20 (H) establish goals for the integrated workforce education and
21 training system.

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

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

7 (B) amount of funding;

8 (C) activities and training provided;

9 (D) number of trainees and their general description, including the
10 gender of the trainees;

11 (E) employment status of trainees; and

12 (F) future needs for resources.

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

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

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

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

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

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

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

12 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT
13 PROGRAMS

14 (a) Creation. There is created a Workforce Education and Training Fund in
15 the Department of Labor to be managed in accordance with 32 V.S.A. chapter
16 7, subchapter 5.

17 (b) Purposes. The Department shall use the Fund for the following
18 purposes:

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

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

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

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

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

12 (d) Eligible activities.

13 (1) The Department shall grant awards from the Fund to employers and
14 entities, including private, public, and nonprofit entities, institutions of higher
15 education, high schools, middle schools, technical centers, and workforce
16 education and training programs that:

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

20 (B) employ student-oriented approaches to workforce education and
21 training; and

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

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

5 (3) The Department may fund student internships and training programs
6 that involve the same employer in multiple years with approval of the
7 Commissioner.

8 (e) [Repealed].

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

12 (1) Training Programs.

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

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

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

1 (iii) provide a project timeline, including performance goals, and
2 identify how the effectiveness and outcomes of the program will be measured,
3 including for the individual participants, the employers, and the program as a
4 whole; and

5 (iv) articulate the need for the training and the direct connection
6 between the training and the job.

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

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

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

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

19 (iv) in the discretion of the Commissioner, otherwise serve the
20 purposes of this chapter.

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

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

8 (4) Career Focus and Planning programs. Funding for one or more
9 programs that institute career training and planning for young Vermonters,
10 beginning in middle school.

11 * * * Vermont Minimum Wage * * *

12 Sec. F.1. MINIMUM WAGE STUDY

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

14 (b) Membership. The Committee shall be composed of the following
15 members:

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

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

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

- 1 (1) the minimum wage in Vermont and livable wage in Vermont in
2 relation to real cost of living;
- 3 (2) the economic effects of small to large increases in the Vermont
4 minimum wage, including in relation to the minimum wage in neighboring
5 states;
- 6 (3) how the potential for improving economic prosperity for Vermonters
7 with low and middle income through the Vermont Earned Income Tax Credit
8 might interact with raising the minimum wage;
- 9 (4) specific means of mitigating the “benefits cliff,” especially for those
10 earning below the livable wage, to enhance work incentives;
- 11 (5) the effects of potential reductions in federal transfer payments as the
12 minimum wage increases, and impacts of possible reductions in federal
13 benefits due to changes in federal law;
- 14 (6) ways to offset losses in State and federal benefits through State
15 benefit programs or State tax policy; and
- 16 (7) further research to better understand the maximum beneficial
17 minimum wage level in Vermont.
- 18 (d) Assistance. The Committee shall have the administrative, technical,
19 and legal assistance of the Joint Fiscal Office, the Office of Legislative
20 Council, the Department of Labor, the Department of Taxes, and the Agency of
21 Human Services.

1 (e) Report. On or before December 1, 2017, the Committee shall submit a
2 written report with its findings and any recommendations for legislative action
3 to the Senate Committee on Economic Development, Housing and General
4 Affairs, and the House Committee on General, Housing and Military Affairs.

5 (f) Meetings.

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

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

9 (3) The members of the Committee shall select a chair at its first
10 meeting.

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

12 (g) Reimbursement. For attendance at meetings during adjournment of the
13 General Assembly, legislative members of the Committee shall be entitled to
14 per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.
15 § 406 for no more than five meetings.

16 * * * Financial Technology * * *

17 Sec. G.1. FINANCIAL TECHNOLOGY

18 (a) The General Assembly finds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 § 4303. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

11 * * *

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

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

14 § 6001. DEFINITIONS

15 In this chapter:

16 * * *

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

18 * * *

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

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

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

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

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

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

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

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

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

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

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

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

9 * * *

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

11 * * *

12 (viii) The construction of a priority housing project in a
13 municipality with a population of 10,000 or more. However, if the
14 construction of the project involves demolition of one or more buildings that
15 are listed or eligible to be listed on the State or National Register of Historic
16 Places, this exemption shall not apply unless the Division for Historic
17 Preservation has made the determination described in subdivision (A)(iv)(I)(ff)
18 of this subdivision (3) and any imposed conditions are enforceable in the
19 manner set forth in that subdivision.

20 * * *

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

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

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

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

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

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

20 “Mixed use” does not include industrial use.

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

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

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

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

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

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

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

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

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

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

15 * * *

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

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

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

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

6 * * *

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

8 § 6081. PERMITS REQUIRED; EXEMPTIONS

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

15 * * *

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

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

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

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

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

18 § 55. PRIORITY HOUSING PROJECTS; STRETCH CODE

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

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

7 * * *

8 * * * Vermont State Housing Authority; Powers * * *

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

10 § 4005. VERMONT STATE HOUSING AUTHORITY; ESTABLISHMENT,
11 MEMBERS, POWERS

12 * * *

13 (e) Notwithstanding any provision of law, no person, ~~domestic or foreign,~~
14 shall be authorized to administer allocations of money under 42 U.S.C.A.
15 § 1437a or 1437f or other federal statute authorizing rental subsidies for the
16 benefit of persons of low or moderate income, except:

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

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

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

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

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

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

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

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

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

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

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

18 Airplanes and Airplane Parts * * *

19 Sec. I.1. REPEALS

20 The following are repealed:

- 1 (9) the City of Barre; ~~and~~
- 2 (10) the Town of Milton, Town Core; and
- 3 (11) the City of South Burlington, New Town Center.

4 * * *

5 § 1894. POWER AND LIFE OF DISTRICT

6 * * *

7 (c) Use of the municipal property tax increment. For only debt incurred
8 within the period permitted under subdivision (a)(1) of this section after
9 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
11 shall be retained to service the debt, beginning the first year in which debt is
12 incurred, pursuant to subsection (b) of this section.

13 * * *

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

19 * * *

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

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

4 * * *

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

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

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

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

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

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

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

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

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

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

20 * * *

1 (h) Criteria for approval. To approve utilization of incremental revenues
2 pursuant to subsection (f) of this section, the Vermont Economic Progress
3 Council shall do all the following:

4 (1) Review each application to determine that the ~~new real property~~
5 proposed infrastructure improvements and the proposed development would
6 not have occurred or would have occurred in a significantly different and less
7 desirable manner but for the proposed utilization of the incremental tax
8 revenues. The review shall take into account:

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

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

17 (C) the amount of additional revenue expected to be generated as a
18 result of the proposed development; the percentage of that revenue that shall be
19 paid to the education fund; the percentage that shall be paid to the
20 municipality; and the percentage of the revenue paid to the municipality that

1 shall be used to pay financing incurred for development of the tax increment
2 financing district.

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

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

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

15 (C) The municipality has approved or pledged the utilization of
16 incremental municipal tax revenues for purposes of the district in the same
17 proportion as the utilization of education property tax revenues approved by
18 the Vermont Economic Progress Council for the tax increment financing
19 district.

20 (D) The proposed infrastructure improvements and the projected
21 development or redevelopment are compatible with approved municipal and

1 regional development plans, and the project has clear local and regional
2 significance for employment, housing, and transportation improvements.

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

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

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

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

15 (i) a median family income that is 80 percent or less of the
16 statewide median family income as reported by the Vermont Department of
17 Taxes for the most recent year for which data is available;

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

1 (iii) a median sales price for residential properties under six acres
2 that is 80 percent or less than the statewide median sales price for residential
3 properties under six acres as reported by the Vermont Department of Taxes.

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

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

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

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

20 ~~(D)~~(C) The development will include at least one entirely new
21 business or business operation or expansion of an existing business within the

1 district, and this business will provide new, quality, full-time jobs that meet or
2 exceed the prevailing wage for the region as reported by the department of
3 labor.

4 ~~(E)~~(D) The development will enhance transportation by creating
5 improved traffic patterns and flow or creating or improving public
6 transportation systems.

7 * * *

8 Sec. J.3. IMPLEMENTATION

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

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

13 Sec. K.1. FINDINGS AND PURPOSE

14 (a) Findings. The General Assembly finds:

15 (1) Vermont needs to attract and support entrepreneurs, youth, and
16 investors to reinvigorate its economy, today and for the future.

17 (2) Vermont has a tremendous opportunity to systematically advance
18 economic activity that addresses the challenge of climate change by reducing
19 and mitigating carbon impacts, while spurring innovation and creativity,
20 encouraging entrepreneurship, attracting youth, and building jobs for the future.

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

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

11 (5) The Accelerator Program selects a cohort of typically early stage
12 businesses to participate together in a time limited series of trainings,
13 mentorships, and investment opportunities. The Accelerator Program exposes
14 promising businesses and technologies to the lessons learned by successful
15 entrepreneurs and investors. It helps early stage businesses clarify the market
16 for their product, evaluate the needs of their management team, define their
17 business model, and articulate their unique value, all with the intention of
18 making them more attractive to the investment capital they need.

19 (6) The climate economy, defined as the work being done by businesses
20 whose products and services aim to reduce, mitigate, or prepare for the
21 negative impacts of climate change on human systems, includes clean energy

1 development and distribution, thermal and electrical efficiencies in buildings
2 and building construction, evolving public and private transportation systems,
3 energy and efficiency innovations in the working lands economy, the
4 recycling, reuse and renewal of resources, and resilience technologies such as
5 soil-sensing devices.

6 (7) An entrepreneurial network working with the Accelerator Program
7 will connect with the business community to spark collaboration and stimulate
8 growth, while the Accelerator Program serves as a catalyst to offer
9 comprehensive technical services, peer support, and financing tools to
10 entrepreneurs to attract them to Vermont as a national nucleus of climate
11 economy leadership and innovation.

12 (8) A State investment of \$300,000.00 of seed funding will leverage an
13 additional \$200,000.00 in private and philanthropic investment in order to
14 carry out this work and boost economic development, innovation, and job
15 creation in the State.

16 (b) Purpose. The purpose of Sec. K.2 of this act is to provide funding
17 necessary to most effectively implement the Climate Economy Business
18 Accelerator Program to grow climate economy entrepreneurial and start-up
19 enterprises.

20 Sec. K.2. APPROPRIATION

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

4 (3) Each year the Program:

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

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

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

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

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

14 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
15 appropriated, the amount of \$200,000.00 is appropriated from the General
16 Fund to the Office of Economic Opportunity for pass through grants to the
17 Community Action Agencies to restore and increase funding for the regional
18 Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

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

20 FINDINGS; APPROPRIATION

21 (a) Findings. The General Assembly finds:

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

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

8 (3) Since its inception in 1997:

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

10 (B) 912 Vermonters have completed their savings period and
11 invested \$2.5 million in their future, much of which has helped support their
12 local economy.

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

15 (b) Intent. Current base funding for the Program is \$135,300.00, and it is
16 the intent of the General Assembly to provide total funding for the Program in
17 fiscal year 2018 of \$250,000.00 in order to assist Vermonters with low income
18 to build their financial assets and achieve economic independence.

19 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
20 appropriated, the amount of \$114,700.00 is appropriated from the General
21 Fund to the Individual Development Matching Grant Special Fund to provide

1 matching funds through the Individual Development Savings Program
2 pursuant to 33 V.S.A. § 1123.

3 Sec. M.3. WORKFORCE DEVELOPMENT AND TRAINING; FINDINGS;

4 APPROPRIATION

5 (a) Findings. The General Assembly finds:

6 (1) The Vermont Community Action Agencies offer a variety of
7 workforce development and training initiatives that:

8 (A) address persistent barriers to employment faced by disadvantaged
9 workers with no, little, or unsuccessful work experience; and

10 (B) build career competencies, including:

11 (i) job seeking skills;

12 (ii) computer literacy;

13 (iii) problem solving and decision making;

14 (iv) interpersonal communication;

15 (v) personal qualities; and

16 (vi) customer service.

17 (2) Specific examples of training programs include:

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

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

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

3 (D) transportation assistance to individuals to enable them to prepare
4 for and attain employment; and

5 (E) skills development, career readiness, and job placement training
6 for underemployed and unemployed Vermonters for food service industry
7 careers.

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

13 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
14 appropriated, the amount of \$250,000.00 is appropriated from the General
15 Fund to the Agency of Human Services for pass through grants to the
16 Community Action Agencies to fund and expand access to existing workforce
17 development and training services.

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

19 BUILDING SERVICES; FINDINGS; APPROPRIATION

20 (a) Findings. The General Assembly finds:

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

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

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

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

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

16 (b) It is the intent of the General Assembly to provide sufficient funding to
17 the Community Action Agencies to cover the cost of existing financial
18 education, coaching, and credit building services, and to enable more
19 Vermonters with low income to access these services.

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

1 Fund to the Agency of Human Services for pass through grants to the
2 Community Action Agencies to provide financial education, coaching, and
3 credit building services to Vermonters with low income.

4 Sec. M.5. VERMONT MATCHED SAVINGS ACCOUNT

5 PROGRAM; APPROPRIATION

6 (a) Findings. The General Assembly finds:

7 (1) The Individual Development Savings Program established in
8 33 V.S.A. § 1123, which offers a matched savings and financial education
9 program, has helped Vermonters with low income invest in their future by
10 enabling them to build financial assets.

11 (2) Because the Individual Development Savings Program is funded in
12 part by the federal government it is subject to certain legal restrictions,
13 including federal limitations on the purpose of expenditures from individual
14 development accounts for eligible uses relating to first-time home ownership,
15 education, or entrepreneurial activity.

16 (3) An independent evaluation of individual development accounts in
17 Massachusetts found that every dollar of state funding resulted in savers
18 accumulating \$64.32 in assets, and local government collected an additional
19 \$0.43 in property taxes.

20 (4) Building on the model of the Individual Development Savings
21 Program, Vermonters with low income would benefit from a Vermont

1 Matched Savings Account Program that would provide financial education and
2 coaching, as well as matching funds for an expanded number of eligible
3 expenditures, including vehicle purchase or repair, home repair, paying down
4 debt, dental care, creating an emergency fund, and expenses that support
5 employment or housing success.

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

10 (c) Appropriation. In fiscal year 2018 the amount of \$150,000.00 is
11 appropriated from the General Fund to the Agency of Human Services to
12 create a Vermont Matched Savings Account Program pursuant to 33 V.S.A.
13 § 1124.

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

15 § 1124. VERMONT MATCHED SAVINGS ACCOUNT PROGRAM

16 (a) As used in this section:

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

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

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

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

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

14 (6) “Financial institution” means any insured federal- or State-chartered
15 bank, bank and trust company, savings bank, savings and loan association,
16 trust company, or credit union, approved by the service provider for the
17 establishment of an expanded account.

18 (7) “Fund” means the Vermont Matched Savings Account Program
19 Special Fund established by this section.

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

4 (9) “Program” means the Vermont Matched Savings Account Program
5 established by this section.

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

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

12 (A) who resides in this State;

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

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

16 (i) to receive public assistance;

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

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

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

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

13 (b) The Agency shall establish by rule standards and procedures to
14 implement and administer the Program, consistent with the following:

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

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

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

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

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

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

10 (2) The enrolled saver shall complete a financial management training
11 program approved by the Agency and provided by or through the service
12 provider.

13 (3)(A) An enrolled saver shall open an account in a financial institution
14 that has been approved by the service provider as a depository for the saver's
15 contributions.

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

18 (4) An enrolled saver with an approved plan and account monitored by a
19 service provider shall comply with the requirements of the plan for at least one
20 year, but not more than five years, in order to be eligible for matching fund
21 grants.

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

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

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

8 (6)(A) The service provider may terminate an approved savings plan for
9 a saver who fails to meet the savings goals set out in the approved plan or who
10 withdraws from the Program, in accordance with standards and procedures
11 established by rule by the Agency.

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

14 (7) The Agency shall monitor Program participation, and shall limit
15 additional Program participation when the funds appropriated to carry out the
16 purposes of this section are not sufficient to support additional approved
17 savings plans.

18 (8) The Agency shall establish by rule any other standards and
19 procedures necessary or desirable to implement the Program, including
20 minimum requirements for approval of savings plans, criteria for training and

1 counseling, reporting requirements for participating financial institutions, and
2 matching fund allocation standards.

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

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

9 (3) The Agency shall use the Fund only for the purpose of providing
10 matching funds for the Program and to provide grants to service providers for
11 administrative expenses of administering the Program.

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

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

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

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

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

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

6 APPROPRIATION

7 (a) Findings. The General Assembly finds:

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

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

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

16 (4) The total refunds and tax credits brought \$4.6 million back into the
17 State economy and helped stabilize households of Vermonters with low
18 income.

19 (b) Intent. It is the intent of the General Assembly to provide \$100,000.00
20 in State funding to the Volunteer Income Tax Assistance Program to leverage

1 \$51,540.00 in federal funding in order to sustain and expand access to the
2 Program for Vermonters with low income.

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

8 Sec. X.1. EFFECTIVE DATES

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

12 (b) The remaining sections of this act shall take effect on July 1, 2017.

13

14

15

16

17 (Committee vote: _____)

18

19

20

Representative _____

FOR THE COMMITTEE