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S.135

Introduced by Committee on Economic Development, Housing and General  
Affairs

Date:

Subject: Commerce and trade; economic development

Statement of purpose of bill as introduced: This bill proposes to implement  
multiple strategies in diverse subject areas to promote economic development.

An act relating to promoting economic development

It is hereby enacted by the General Assembly of the State of Vermont:

\* \* \* Vermont Employment Growth Incentive Program \* \* \*

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

CHAPTER 105. VERMONT EMPLOYMENT GROWTH

INCENTIVE PROGRAM

\* \* \*

§ 3332. APPLICATION; APPROVAL CRITERIA

(a) Application.

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

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

3           (A) specify a payroll performance requirement;

4           (B) specify a jobs performance requirement or a capital investment  
5 performance requirement, or both; and

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

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

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

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

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

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



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

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

5                 (1) \$1,500,000.00 for one or more initial approvals; and

6                 (2) \$1,000,000.00 for one or more final approvals.

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

10          (d) In evaluating the Governor's request, the Committee shall consider the  
11 economic and fiscal condition of the State, including recent revenue forecasts  
12 and budget projections.

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

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

1 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL  
2 TECHNOLOGY BUSINESS

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

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

6 (2) seeks an incentive for economic activity in Vermont that the  
7 Secretary of Commerce and Community Development certifies is primarily  
8 research, design, engineering, development, or manufacturing related to one or  
9 more of the following:

10 (A) waste management, including waste collection, treatment,  
11 disposal, reduction, recycling, and remediation;

12 (B) natural resource protection and management, including water and  
13 wastewater purification and treatment, air pollution control and prevention or  
14 remediation, soil and groundwater protection or remediation, and hazardous  
15 waste control or remediation;

16 (C) energy efficiency or conservation;

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

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



1 payroll, jobs, and capital investment necessary to determine whether the  
2 business earned the incentive specified for an award year and any installment  
3 payment for which the business is eligible; and

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

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

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

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

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

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

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

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

1 § 3339. RECAPTURE; REDUCTION; REPAYMENT

2 (a) Recapture.

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

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

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

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

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

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

13 (i) was not a named party to, or was in compliance with, an  
14 administrative order, consent decree, or judicial order issued by the State or a  
15 subdivision of the State; or

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

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



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

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

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

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

12                   (1) The Department shall:

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

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

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

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

3 (B) the Department shall recapture the amount by which the value of  
4 the installment payments the business has already received exceeds the value  
5 of the reduced incentive.

6 (c) Tax liability.

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

10 (2) For purposes of this section, the Department of Taxes may use any  
11 enforcement or collection action available for taxes owed pursuant to chapter  
12 151 of this title.

13 \* \* \*

14 § 3341. CONFIDENTIALITY OF ~~PROPRIETARY~~ BUSINESS  
15 INFORMATION

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

19 (b) ~~Information~~ Except for information required to be reported under  
20 section 3340 of this title or as provided in this section, information and  
21 materials submitted by a business ~~concerning its income taxes and other~~

1 ~~confidential financial information shall not be subject to public disclosure~~  
2 ~~under the State's public records law in 1 V.S.A. chapter 5, but shall be to the~~  
3 Vermont Economic Progress Council, or business-specific data generated by  
4 the Council as part of its consideration of an application under this subchapter,  
5 that is not otherwise publicly disclosed, is exempt from public inspection and  
6 copying under the Public Records Act and shall be kept confidential. Records  
7 related to incentive claims under this chapter that are produced or acquired by  
8 the Department of Taxes are confidential returns or return information and are  
9 subject to the provisions of section 3102 of this title.

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

12 (A) to the Joint Fiscal Office or its agent upon authorization of the  
13 Joint Fiscal Committee or a standing committee of the General Assembly, and  
14 shall also be available; and

15 (B) to the Auditor of Accounts in connection with the performance of  
16 duties under section 163 of this title; provided, however, that the

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

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

5 \* \* \*

6 \* \* \* VEGI; Confidentiality \* \* \*

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

8 § 3102. CONFIDENTIALITY OF TAX RECORDS

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

17 \* \* \*

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

19 \* \* \*

20 (5) to the Attorney General, if such return or return information relates  
21 to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for

1 purposes of investigating potential violations of and enforcing 7 V.S.A. chapter  
2 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19,  
3 subchapters 1A and 1B;

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

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

12 \* \* \*

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

1 applicant under chapter 105, subchapter 2 of this title and the incentive it has  
2 claimed and is reasonably necessary for the Council to perform its duties under  
3 that subchapter.

4 \* \* \*

5 \* \* \* Land Use and Economic Development \* \* \*

6 \* \* \* Act 250 Parties; Prohibition on Monetary Demand in Return for

7 Withdrawal \* \* \*

8 Sec. B.1. 10 V.S.A. § 6085 is amended to read:

9 § 6085. HEARINGS; PARTY STATUS

10 (a), (b) [Repealed.]

11 (c)(1) Party status. In proceedings before the District Commissions, the  
12 following persons shall be entitled to party status:

13 (A) the applicant;

14 (B) the landowner, if the applicant is not the landowner;

15 (C) the municipality in which the project site is located, and the  
16 municipal and regional planning commissions for that municipality; if the  
17 project site is located on a boundary, any Vermont municipality adjacent to  
18 that border and the municipal and regional planning commissions for that  
19 municipality; and the solid waste management district in which the land is  
20 located, if the development or subdivision constitutes a facility pursuant to  
21 subdivision 6602(10) of this title;

1 (D) any State agency affected by the proposed project;

2 (E) any adjoining property owner or other person who has a  
3 particularized interest protected by this chapter that may be affected by an act  
4 or decision by a District Commission.

5 \* \* \*

6 (7) For-profit entities; money demand. A for-profit business entity that  
7 is a party under subdivision (c)(1)(E) of this section to an application  
8 proceeding under this chapter or an appeal from such a proceeding may offer  
9 to withdraw its opposition or appeal in return for payment or other  
10 consideration only if the payment or consideration will redress, mitigate, or  
11 remediate the effect of the proposed development or subdivision on a  
12 particularized interest protected by this chapter for which the entity obtained  
13 party status. Noncompliance with this subdivision (7) shall disqualify the  
14 entity from party status.

15 \* \* \*

16 \* \* \* Public Retirement \* \* \*

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

18 (a) The State of Vermont shall, consistent with federal law and regulation,  
19 adopt and implement a voluntary Multiple Employer Plan (MEP) public  
20 retirement plan, which shall remain in compliance with federal law and

1 regulations once implemented, and shall be called the “Green Mountain Secure  
2 Retirement Plan.”

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

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

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

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

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

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

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

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

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

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



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

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

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

7           (c) The Plan shall:

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

9           (A) employers:

10           (i) with 50 employees or fewer; and

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

13           (B) self-employed individuals;

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

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

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

20           (5) be overseen by a board that shall:

21           (A) set program terms;

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

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

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

9           Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF

10                               ESTABLISHING A PUBLIC RETIREMENT PLAN

11           (a) Creation of Committee.

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

14                       (2) It is the intent of the General Assembly that the Committee continue  
15           the work of the Public Retirement Plan Study Committee created in 2014 Acts  
16           and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves  
17           No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop  
18           specific recommendations concerning the design, creation, and implementation  
19           of the Multiple Employer Plan (MEP), and the board that will oversee the plan,  
20           pursuant to in Sec. C.1 of this act and as set forth in the January 6, 2017 report  
21           issued by the Committee.

1 (b) Membership.

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

4 (A) the State Treasurer or designee;

5 (B) the Commissioner of Labor or designee;

6 (C) the Commissioner of Disabilities, Aging, and Independent Living  
7 or designee;

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

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

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

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

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

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

7           (c) Powers and duties.

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

13                   (i) ~~the access Vermont residents currently have to employer-~~  
14 ~~sponsored retirement plans and the types of employer-sponsored retirement~~  
15 ~~plans;~~

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

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

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

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

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

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

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

13                   (I) employers:

14                   (aa) with 50 employees or fewer; and

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

17                   (II) self-employed individuals;

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

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

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

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

4                    (I) set programs terms;

5                    (II) prepare and design plan documents; and

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

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

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

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

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

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

20                    (i) options to provide access to retirement plans to individuals who  
21 are not eligible to participate in, or choose not to participate in, the MEP public

1 retirement plan, including alternative plans and options vetted by the board that  
2 shall oversee the MEP, and which plans and options shall be provided through  
3 a marketplace implemented no earlier than one year after the MEP begins;

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

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

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

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

14 (2) The Committee shall:

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

18 (B) further analyze the relationship between the role of states and the  
19 federal government; and

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

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

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

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

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





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

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

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

19          (5) Any employer who willfully violates any standard; or rule adopted,  
20          or order ~~promulgated~~ issued pursuant to this Code, and that violation caused  
21          death to any employee, shall, upon conviction, be punished by a fine of not

1 more than ~~\$20,000.00~~ \$126,749.00 or by imprisonment for not more than one  
2 year, or by both.

3 \* \* \*

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

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

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

17 \* \* \*

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

19 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

20 (a) A Workers' Compensation Administration Fund is created pursuant to  
21 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the

1 administration of the workers' compensation and occupational disease  
2 programs. The Fund shall consist of contributions from employers made at a  
3 rate of ~~4.75~~ 1.4 percent of the direct calendar year premium for workers'  
4 compensation insurance, one percent of self-insured workers' compensation  
5 losses, and one percent of workers' compensation losses of corporations  
6 approved under this chapter. Disbursements from the Fund shall be on  
7 warrants drawn by the Commissioner of Finance and Management in  
8 anticipation of receipts authorized by this section.

9 \* \* \*

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

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

12 § 540. ~~WORKFORCE EDUCATION AND TRAINING~~ DEVELOPMENT  
13 LEADER

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

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

19 Workforce Development Board:

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

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

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

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

10          (E) ensure coordination and non-duplication of workforce education  
11 and training activities;

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

14          (G) design and implement criteria and performance measures for  
15 workforce education and training activities; and

16          (H) establish goals for the integrated workforce education and  
17 training system.

18          (2) Require from each business, training provider, or program that  
19 receives State funding to conduct workforce education and training a report  
20 that evaluates the results of the training. Each recipient shall submit its report

1 on a schedule determined by the Commissioner and shall include at least the  
2 following information:

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

4 (B) amount of funding;

5 (C) activities and training provided;

6 (D) number of trainees and their general description;

7 (E) employment status of trainees; and

8 (F) future needs for resources.

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

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

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

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

20 (7) Notwithstanding any provision of State law to the contrary, and to  
21 the fullest extent allowed under federal law, ensure that in each State and

1 State-funded workforce education and training program, the program  
2 administrator collects and reports data and results at the individual level by  
3 Social Security Number or an equivalent.

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

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

8 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT  
9 PROGRAMS

10 (a) Creation. There is created a Workforce Education and Training Fund in  
11 the Department of Labor to be managed in accordance with 32 V.S.A. chapter  
12 7, subchapter 5.

13 (b) Purposes. The Department shall use the Fund for the following  
14 purposes:

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

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

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

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

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

8           (d) Eligible activities.

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

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

16                   (B) employ student-oriented approaches to workforce education and  
17 training; and

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

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



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

4           (e) [Repealed].

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

8           (1) Training Programs.

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

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

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

18           (iii) provide a project timeline, including performance goals, and  
19 identify how the effectiveness and outcomes of the program will be measured,  
20 including for the individual participants, the employers, and the program as a  
21 whole; and

1                   (iv) articulate the need for the training and the direct connection  
2 between the training and the job.

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

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

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

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

15                   (iv) in the discretion of the Commissioner, otherwise serve the  
16 purposes of this chapter.

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

20                   (3) Apprenticeship Program. The Vermont Apprenticeship Program  
21 established under 21 V.S.A. chapter 13. Awards under this subdivision may be

1 used to fund the cost of apprenticeship-related instruction provided by the  
2 Department of Labor.

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

6 \* \* \* Vermont Minimum Wage \* \* \*

7 Sec. F.1. MINIMUM WAGE STUDY

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

9 (b) Membership. The Committee shall be composed of the following  
10 members:

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

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

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

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

19 (2) the economic effects of small to large increases in the Vermont  
20 minimum wage, including in relation to the minimum wage in neighboring  
21 states;

1           (3) how the potential for improving economic prosperity for Vermonters  
2           with low and middle income through the Vermont Earned Income Tax Credit  
3           might interact with raising the minimum wage;

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

6           (5) the effects of potential reductions in federal transfer payments as the  
7           minimum wage increases, and impacts of possible reductions in federal  
8           benefits due to changes in federal law;

9           (6) ways to offset losses in State and federal benefits through State  
10           benefit programs or State tax policy; and

11           (7) further research to better understand the maximum beneficial  
12           minimum wage level in Vermont.

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

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

1       (f) Meetings.

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

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

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

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

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

12                                   \* \* \* Financial Technology \* \* \*

13       Sec. G.1. FINANCIAL TECHNOLOGY

14       (a) The General Assembly finds:

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

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

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

20           (4) The existing Vermont legislation on blockchain technology and  
21       other aspects of e-finance have given Vermont the potential for leadership in

1 this new era of innovation as well, with the possibility of expanded economic  
2 activity in the financial technology sector that would provide opportunities for  
3 employment, tax revenues, and other benefits.

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

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

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

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

18 (B) suggestions for an overall policy direction and proposals for  
19 legislative and regulatory action that would effectively implement that policy  
20 direction; and



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

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

7           (3) Each year the Program:

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

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

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

12           (4) The average cost per job created through the Program is less than  
13           \$3,600.00.

14           (b) Intent. Current base funding for the Program is \$300,000.00, and it is  
15           the intent of the General Assembly to provide total funding for the Program in  
16           fiscal year 2018 of \$450,000.00.

17           (c) Appropriation. In fiscal year 2018, in addition to any other amounts  
18           appropriated, the amount of \$150,000.00 is appropriated from the General  
19           Fund to the Office of Economic Opportunity for pass through grants to the  
20           Community Action Agencies to restore and increase funding for the regional  
21           Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.



1       Sec. H.3. ECONOMIC DEVELOPMENT MARKETING

2           (a) In fiscal year 2018 the amount of \$250,000.00 is appropriated from the  
3       General Fund to the Agency of Commerce and Community Development to:

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

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

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

19          (c) The Secretary of Commerce and Community Development shall  
20       establish performance measures that support strategic priorities, including  
21       strengthening the State economy, before disbursing these funds.

1                   \* \* \* Repeal of Sunset on Sales and Use Tax Exemption;  
2                                   Airplanes and Airplane Parts \* \* \*

3       Sec. I.1. REPEALS

4       The following are repealed:

5                   (1) 2007 Acts and Resolve No. 81, Secs. 7a (amendment to sales tax  
6       exemption for aircraft parts) and 7b (effective date).

7                   (2) 2008 Acts and Resolve No. 190, Sec. 43 (effective date).

8                                   \* \* \* Effective Date \* \* \*

9       Sec. J.1. EFFECTIVE DATE

10       This act shall take effect on July 1, 2017.