

1 Introduced by Committee on Economic Development and Housing and

2 General Affairs

3 Referred to Committee on

4 Date:

5 Subject: Commerce and trade; economic development

6 Statement of purpose of bill as introduced: [This bill proposes to promote

7 economic development]

8 An act relating to [promoting economic development]

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

10 * * * Vermont Economic Development Authority * * *

11 Sec. A.1. 10 V.S.A. § 213 is amended to read:

12 § 213. AUTHORITY; ORGANIZATION

13 (a) The Vermont Economic Development Authority is hereby created and
14 established as a body corporate and politic and a public instrumentality of the
15 State. The exercise by the Authority of the powers conferred upon it in this
16 chapter constitutes the performance of essential governmental functions.

17 (b)(1) The Authority shall have ~~15~~ up to 16 voting members consisting of:

18 (A) the Secretary of Commerce and Community Development, the
19 State Treasurer, the Secretary of Agriculture, Food and Markets, the
20 Commissioner of Forests, Parks and Recreation, and the Commissioner of

1 Public Service, each of whom shall serve as an ex officio member, or a
2 designee of any of the aforementioned; ~~and~~

3 (B) up to 10 members, who shall be residents of the State of
4 Vermont, appointed by the Governor with the advice and consent of the
5 Senate.~~The appointed members shall be appointed for terms of six years and~~
6 ~~until their successors are appointed and qualified.~~~~Appointed members may be~~
7 ~~removed by the Governor for cause and the Governor may fill any vacancy~~
8 ~~occurring among the appointed members for the balance of the unexpired~~
9 ~~term.; and~~

10 (C) one member, who is a current member of the Vermont General
11 Assembly, appointed jointly by the Speaker of the House of Representatives
12 and the President Pro Tempore of the Senate, who shall serve a term of six
13 years or until he or she is no longer a member of the General Assembly,
14 whichever occurs sooner.

15 (2)(A) An appointing authority may remove a member for cause.

16 (B) The Governor may fill a vacancy for the balance of the unexpired
17 term.

18 (C) The Speaker and President Pro Tempore may jointly fill a
19 vacancy by appointing a member of the General Assembly to a new six-year
20 term.

21 * * *

1 Sec. A.2. 10 V.S.A. § 234 is amended to read:

2 § 234. THE VERMONT JOBS FUND

3 * * *

4 (c) Monies in the Fund may be loaned to the Vermont Agricultural Credit
5 Program to support its lending operations as established in chapter 16A of this
6 title at interest rates and on terms and conditions to be set by the Authority to
7 ~~establish a line of credit in an amount not to exceed \$60,000,000.00 to be~~
8 ~~advanced to the Vermont Agricultural Credit Program to support its lending~~
9 ~~operations as established in chapter 16A of this title.~~

10 * * *

11 Sec. A.3. 10 V.S.A. § 374a is amended to read:

12 § 374a. CREATION OF THE VERMONT AGRICULTURAL CREDIT
13 PROGRAM

14 * * *

15 (b) ~~No borrower shall be approved for a loan from the corporation that~~
16 ~~would result in the aggregate principal balances outstanding of all loans to that~~
17 ~~borrower exceeding the then-current maximum Farm Service Agency loan~~
18 ~~guarantee limits, or \$5,000,000.00, whichever is greater. [Repealed.]~~

19 * * * Vermont Employment Growth Incentive * * *

20 Sec. B.1. 2016 Acts and Resolves No. 157, Sec. H.12 (sunset of VEGI
21 program on January 1, 2021) is repealed.

1 **[Question: Do you want to change the VEGI approval process to exceed**
2 **statutory program caps back to VEPC-request-to-EBoard, as under former**
3 **law? (Act 157 changed this process so that Gov had to request JFC**
4 **approval)]**

5

6 Sec. B.2. 32 V.S.A. chapter 105 is amended to read:

7 Chapter 105: Vermont Employment Growth Incentive Program

8 * * *

9 § 3330. PURPOSE; FORM OF INCENTIVES; ENHANCED INCENTIVES;

10 ELIGIBLE APPLICANT

11 (a) Purpose. The purpose of the Vermont Employment Growth Incentive
12 Program is to generate net new revenue to the State by encouraging a business
13 to add new payroll, create new jobs, and make new capital investments and
14 sharing a portion of the revenue with the business.

15 (b) Form of incentives; enhanced incentives.

16 (1) The Vermont Economic Progress Council may approve an incentive
17 under this subchapter in the form of a direct cash payment in annual
18 installments.

19 (2) The Council may approve the following enhanced incentives:

1 (A) an enhanced incentive for a business in a labor market area with
2 higher than average unemployment or lower than average wages pursuant to
3 section 3334 of this title;

4 (B) an enhanced incentive for an environmental technology business
5 pursuant to section 3335 of this title; ~~and~~

6 (C) an enhanced incentive for a value-added business pursuant to
7 section 3335a of this title; and

8 (D) an enhanced incentive for a business that participates in a State
9 workforce training program pursuant to section 3336 of this title.

10 (c) Eligible applicant. Only a business may apply for an incentive pursuant
11 to this subchapter.

12 * * *

13 § 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING
14 LABOR MARKET AREA

15 (a) The Council may increase the value of an incentive for a business that is
16 located in a labor market area in which:

17 (1) the average annual unemployment rate is greater than the average
18 annual unemployment rate for the State; or

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

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

- 3 (1) \$1,500,000.00 for one or more initial approvals; and
4 (2) \$1,000,000.00 for one or more final approvals.

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

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

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

15 (f) The purpose of the enhanced incentive for a business in a qualifying
16 labor market area is to increase job growth in economically disadvantaged
17 regions of the State.

18 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL
19 TECHNOLOGY BUSINESS

20 (a) As used in this section, an "environmental technology business" means a
21 business that:

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

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

6 (A) waste management, including waste collection, treatment,
7 disposal, reduction, recycling, and remediation;

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

12 (C) energy efficiency or conservation;

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

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

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

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

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

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

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

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

10 § 3335a. ENHANCED INCENTIVE FOR VALUE-ADDED BUSINESS

11 (a) The purpose of the enhanced incentive for value-added businesses is to

12 (b) As used in this section, a “value-added business” means a business that
13 is subject to income taxation in Vermont and whose current or prospective
14 economic activity in Vermont for which the business seeks an incentive under
15 this subchapter is certified by the Secretary of Commerce and Community

16 Development to be primarily in one or more of the following sectors:

17 (1) production of tangible products, other than real estate; or

18 (2) information processing or information management services,

19 including:

20 (A) computer hardware or software, and information and

21 communication technologies, such as high-level software languages, graphics

1 hardware and software, speech and optical character recognition, high-volume
2 information storage and retrieval, and data compression;

3 (B) technological applications that use biological systems, living
4 organisms or derivatives thereof, to make or modify products or processes for
5 specific use;

6 (C) custom computer programming services, such as writing,
7 modifying, testing, and supporting software to meet the needs of a particular
8 customer;

9 (D) computer systems design services such as planning and designing
10 computer systems that integrate computer hardware, software, and
11 communication technologies;

12 (E) computer facilities management services, such as providing on-
13 site management and operation of clients' computer systems and/or data
14 processing facilities.

15 (c) The Council shall consider and administer an application from a value-
16 added business pursuant to the provisions of this subchapter, except that:

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

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

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

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

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

5 (d) The purpose of the enhanced incentive for a value-added business is to
6 promote the growth of businesses in Vermont that create and sustain high
7 quality jobs in manufacturing and technology.

8 * * *

9 § 3341. CONFIDENTIALITY OF PROPRIETARY BUSINESS

10 INFORMATION

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

14 (b) Information and materials submitted by a business ~~concerning its~~
15 ~~income taxes~~ to the Council, and any company specific data, information,
16 material, or reports generated by the Council, for the application process under
17 this subchapter, or information and materials submitted by a business to the
18 Department, and any company specific data, information, material, or reports
19 generated by the Department for the claim process under this subchapter, and
20 any other confidential financial information, shall not be subject to public
21 disclosure under the State's public records law in 1 V.S.A. chapter 5, but shall

1 be available to the Joint Fiscal Office or its agent upon authorization of the
2 Joint Fiscal Committee or a standing committee of the General Assembly, and
3 shall also be available to the Auditor of Accounts in connection with the
4 performance of duties under section 163 of this title; provided, however, that
5 the Joint Fiscal Office or its agent and the Auditor of Accounts shall not
6 disclose, directly or indirectly, to any person any proprietary business
7 information or any information that would identify a business except in
8 accordance with a judicial order or as otherwise specifically provided by law.

9 (c) The Council and the Department may share with each other any
10 information, material, reports, and data concerning applicants and claimants in
11 order to fulfill their duties under this subchapter.

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

16 * * *

17 § 3343. VERMONT EMPLOYMENT GROWTH INCENTIVE

18 ELIGIBILITY; GOOD STANDING; WATER AND AIR QUALITY

19 (a) As used in this section:

1 (1) “Applicant” shall include all entities, including businesses in which
2 the applicant has a greater than 10 percent interest, or land owned or controlled
3 by the applicant.

4 (2) “Good standing” means the applicant:

5 (A) is not a named party in any administrative order, consent decree,
6 or judicial order relating to Vermont water quality standards issued by the
7 State or any of its agencies or departments; and

8 (B) is in compliance with all federal and State water and air quality
9 laws and regulations.

10 (b) The Council shall require that an applicant applying for an incentive,
11 and the Department of Taxes shall require that an applicant filing a claim for
12 an incentive, under pains and penalties of perjury, to certify that the applicant
13 is in good standing with the Agency of Natural Resources and the Agency of
14 Agriculture, Food and Markets.

15 (c) The Council and the Department shall allow for an attachment or
16 include space for an applicant who cannot certify under subsection (b) of this
17 section to explain the circumstances surrounding the applicant’s inability to
18 certify.

19 (d) At any time following approval of an application for an incentive, an
20 applicant shall notify the Council and the Department if the applicant is no

1 longer in good standing with the Agency of Natural Resources or the Agency
2 of Agriculture, Food and Markets.

3 (e) The Council and the Department may consider an applicant’s
4 certification or explanation under subsection (b) of this section in determining
5 whether or not to approve an application for an incentive or a claim for an
6 incentive.

7 (f) If an applicant knowingly provides a false certification or explanation or
8 fails to notify the Council and the Department if the applicant is no longer in
9 good standing with the Agency of Natural Resources or the Agency of
10 Agriculture, Food and Markets, the Department may:

11 (A) seek to recover the incentive; and

12 (B) deny any future incentive to the applicant, based on the false
13 certification or explanation or failure to notify, for up to five years.

14 (g) In recovering an incentive under this section, the State or its agencies or
15 departments shall be entitled to costs and expenses, including attorney’s fees.

16 Sec. B.3. 10 V.S.A. § 532 is added to read:

17 § 532. ALLOCATION OF FUNDS

18 Of the incremental revenue generated to the General Fund each fiscal year
19 by the projects approved for incentives under 32 V.S.A. §3332, 10 percent
20 shall be appropriated to the Vermont Training Program, in addition to the base
21 amount appropriated to the Vermont Training Program each fiscal year, upon a

1 determination by the Secretary of Commerce and Community Development
2 that the sums generated to the General Fund by the projects approved for
3 incentives under 32 V.S.A. §3332 exceed the amount required to pay the
4 installments due to companies under 32 V.S.A. §3338(d)(2) in the same fiscal
5 year.

6 * * * Vermont Enterprise Fund * * *

7 C.1. REPEAL

8 2014 Acts and Resolves No. 179, Sec. E.100.5 (Vermont Enterprise Fund)
9 is repealed.

10 C.2. 10 V.S.A. § 12 is added to read:

11 § 12. VERMONT ENTERPRISE FUND

12 (a) There is created a Vermont Enterprise Fund, the sums of which may be
13 used by the Governor, with the approval of the Emergency Board, for the
14 purpose of making economic and financial resources available to businesses
15 facing circumstances that necessitate State government support and response
16 more rapidly than would otherwise be available from, or that would be in
17 addition to, other economic incentives.

18 (b)(1) The Fund shall be administered by the Commissioner of Finance and
19 Management as a special fund under the provisions of chapter 7, subchapter 5
20 of this title.

1 (2) The Fund shall contain any amounts transferred or appropriated to it
2 by the General Assembly.

3 (3) Interest earned on the Fund and any balance remaining at the end of
4 the fiscal year shall remain in the Fund.

5 (4) The Commissioner shall maintain records that indicate the amount of
6 money in the Fund at any given time.

7 (c) The Governor is authorized to use amounts available in the Fund to
8 offer economic and financial resources to an eligible business pursuant to this
9 section, subject to approval by the Emergency Board as provided in subsection
10 (e) of this section.

11 (d) To be eligible for an investment through the Fund, the Governor shall
12 determine that a business:

13 (1) adequately demonstrates:

14 (A) a substantial statewide or regional economic or employment
15 impact; or

16 (B) approval or eligibility for other economic development incentives
17 and programs offered by the State of Vermont; and

18 (2) is experiencing one or more of the following circumstances:

19 (A) a merger or acquisition may cause the closing of all or a portion
20 of a Vermont business, or closure or relocation outside Vermont will cause the
21 loss of employment in Vermont;

1 (B) a prospective purchaser is considering the acquisition of an
2 existing business in Vermont;

3 (C) an existing employer in Vermont, which is a division or
4 subsidiary of a multistate or multinational company, may be closed or have its
5 employment significantly reduced; or

6 (D) is considering Vermont for relocation or expansion.

7 (e)(1) Any economic and financial resources offered by the Governor under
8 this section must be approved by the Emergency Board before an eligible
9 business may receive assistance from the Fund.

10 (2) The Board shall invite the Chair of the Senate Committee on
11 Economic Development, Housing and General Affairs and the Chair of the
12 House Committee on Commerce and Economic Development to participate in
13 Board deliberations under this section in an advisory capacity.

14 (3) The Governor or designee shall present to the Emergency Board for
15 its approval:

16 (A) information on the company;

17 (B) the circumstances supporting the offer of economic and financial
18 resources;

19 (C) a summary of the economic activity proposed or that would be
20 forgone;

21 (D) other State incentives and programs offered or involved;

1 (E) the economic and financial resources offered by the Governor
2 requiring use of monies from the Fund;

3 (F) employment, investment, and economic impact of Fund support
4 on the employer, including a fiscal cost-benefit analysis; and

5 (G) terms and conditions of the economic and financial resources
6 offered, including:

7 (i) the total dollar amount and form of the economic and financial
8 resources offered;

9 (ii) employment creation, employment retention, and capital
10 investment performance requirements; and

11 (iii) disallowance and recapture provisions.

12 (4) The Emergency Board shall have the authority to approve,
13 disapprove, or modify an offer of economic and financial resources in its
14 discretion, including consideration of the following:

15 (A) whether the business has presented sufficient documentation to
16 demonstrate compliance with subsection (d) of this section;

17 (B) whether the Governor has presented sufficient information to the
18 Board under subdivision (3) of this subsection;

19 (C) whether the business has received other State resources and
20 incentives, and if so, the type and amount; and

1 (D) whether the business and the Governor have made available to
2 the Board sufficient information and documentation for the Auditor of
3 Accounts to perform a performance audit of the program.

4 (f)(1) Proprietary business information and materials or other confidential
5 financial information submitted by a business to the State, or submitted by the
6 Governor to the Emergency Board, for the purpose of negotiating or approving
7 economic and financial resources under this section shall not be subject to
8 public disclosure under the State’s public records law in 1 V.S.A. chapter 5,
9 but shall be available to the Joint Fiscal Office or its agent upon authorization
10 of the Chair of the Joint Fiscal Committee, and shall also be available to the
11 Auditor of Accounts in connection with the performance of duties under
12 32 V.S.A. § 163; provided, however, that the Joint Fiscal Office or its agent,
13 and the Auditor of Accounts, shall not disclose, directly or indirectly, to any
14 person any proprietary business or other confidential information or any
15 information which would identify a business except in accordance with a
16 judicial order or as otherwise specifically provided by law.

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

1 (g) On or before January 15 of each year following a year in which
2 economic and financial resources were made available pursuant to this section,
3 the Secretary of Commerce and Community Development shall submit to the
4 House Committees on Commerce and Economic Development and on Ways
5 and Means and to the Senate Committees on Finance and on Economic
6 Development, Housing and General Affairs a report on the resources made
7 available pursuant to this section, including:

8 (1) the name of the recipient;

9 (2) the amount and type of the resources;

10 (3) the aggregate number of jobs created or retained as a result of the
11 resources;

12 (4) a statement of costs and benefits to the State; and

13 (5) whether any offer of resources was disallowed or recaptured.

14 Sec. C.3. APPROPRIATION; VERMONT ENTERPRISE FUND

15 In fiscal year 2018 the amount of \$XX,000.00 is appropriated from the
16 General Fund to the Vermont Enterprise Fund created in 10 V.S.A. § 12.

17 * * * Tax Credits * * *

18 Sec. D.1. 32 V.S.A. chapter 245 is added to read:

19 CHAPTER 245: TAX CREDITS

20 § 11001. ANGEL INVESTOR TAX CREDIT

21 (a) A qualified taxpayer who makes an eligible venture capital investment:

1 (1) may claim a credit against his or her income tax liability imposed
2 under chapter 151 of this title for 40 percent of the value of each eligible
3 venture capital investment per qualifying business made during a taxable year;

4 (2) may claim credit in increments of 25 percent of the total credit over
5 four years; provided that the amount of the credit allowed under this section for
6 any one taxable year may not exceed 50 percent of the taxpayer's income tax
7 liability for the taxable year before application of the credit; and

8 (3) may carry forward for up to 10 years the value of credit that the
9 taxpayer could not claim due to the limitations in subdivision (2) of this
10 subsection.

11 (b)(1) The maximum aggregate investment in any one qualifying business
12 for which a single qualified investor may receive tax credit under this section is
13 limited to \$500,000.00 in any three consecutive years.

14 (2) The maximum aggregate investment in any one qualified business
15 for which all qualified investors may receive tax credit under this section is
16 limited to \$5,000,000.00.

17 (c)(1) To claim a credit pursuant to this section, a qualified taxpayer shall
18 submit to the Agency of Commerce and Community Development
19 documentation and any additional information requested by the Agency
20 necessary to demonstrate compliance with the requirements of this section.

1 (2) The Agency, upon review and confirmation of the qualified
2 taxpayer’s eligibility for a credit, shall issue a credit certificate to the taxpayer,
3 who shall file the certificate with the Department of Taxes with his or her State
4 income tax return for the applicable year.

5 (d) In this section:

6 (1) “At-risk debt” means debt which is not secured, is not guaranteed by
7 a substantial owner of the business, will not be repaid for at least five years, or
8 bears a reasonable rate of interest.

9 (2) “Eligible venture capital investment” means up to \$500,000.00 of
10 total investment by one person, which is equity or at-risk debt investment in
11 one qualified business, for expenditure by the qualified business on the plant,
12 equipment, research, and development, or as working capital in Vermont.

13 (3) “Qualified business” means a business that:

14 (A) has its principal place of business in this State;

15 (B) had in the year preceding the investment annual gross sales of
16 \$3,000,000.00 or less; and

17 (C)(i) is a manufacturer;

18 (ii) is engaged in the development or application of advanced
19 technologies;

20 (iii) provides a service that is sold or rendered, or is projected to
21 be sold or rendered, predominantly outside of the State;

1 (iv) brings capital into the State, as determined by the Agency of
2 Commerce and Community Development; or

3 (v) is a visual media production company, as determined by the
4 Agency of Commerce and Community Development.

5 (4) “Qualified taxpayer” means a taxpayer who is not a substantial
6 owner of the qualified business.

7 (5) “Substantial owner” means a person who, after the investment, has
8 greater than 20 percent ownership interest in the qualified business, including
9 attribution of ownership interests of the individual’s spouse, parents, spouse’s
10 parents, siblings, and children; or is a person who is controlled by, or has
11 actual control of, the qualified business through any combination of ownership
12 and management.

13 § 11002. MILLENNIAL ENTERPRISE ZONE TAX CREDIT

14 (a) Purpose. The purpose of this section is to create incentives through tax
15 credits for:

16 (1) creating new, high-paying jobs in information technology and
17 related fields, including digital networks, robotics, and virtual worlds; and

18 (2) investing capital in research, design, and facilities in these sectors.

19 (b) Designation. The Secretary of Commerce and Community
20 Development shall have the authority to declare a millennial enterprise zone,
21 which may be a virtual space or geographical area, or both, where one or more

1 persons are investing human, intellectual, physical, or economic capital in
2 building a business in information technology or related fields, including
3 digital networks, robotics, and virtual worlds.

4 (c) Eligibility criteria. To be eligible for a credit under this section a
5 person shall:

6 (1) be engaged in a business in a qualifying sector and creating new,
7 full-time jobs in Vermont; and

8 (2) pay gross wages and benefits to its employees that average at least
9 150 percent of the Vermont minimum wage.

10 (d) Tax credit.

11 (1) A person shall be eligible for a credit against his or her income tax
12 liability imposed under chapter 151 of this title for job creation or investment
13 within a designated millennial enterprise zone in a tax year as follows:

14 (A) five percent of the value of the gross wages and benefits of each
15 new, full-time job created and maintained for 12 months;

16 (B) 50 percent of the value of capital investment in real or personal
17 property of the business; and

18 (C) 10 percent of the value of the business's investment in research
19 and development.

20 (2) The amount of total credit available pursuant to this section shall not
21 exceed 50 percent of a person's tax liability per taxable year.

1 (3) A person who is eligible for credit but unable to claim the full
2 amount because of the cap under subdivision (2) of this subsection may carry
3 forward the value of any unused credit for up to 10 years.

4 (4) Upon application and demonstration that a person meets the criteria
5 to qualify for credit under this section, the Secretary of Commerce and
6 Community Development shall issue a tax certificate to the person, who shall
7 file the certificate with his or her tax return in each year he or she wishes to
8 claim available credit.

9 (e) The Secretary of Commerce and Community Development shall have
10 the authority to adopt rules and procedures to implement the provisions of this
11 section.

12 § 11003. MOTION PICTURE PRODUCTION TAX CREDIT

13 (a) Definitions. In this section:

14 (1) “Agency” means the Agency of Commerce and Community
15 Development.

16 (2)(A) “Motion picture” means a feature-length film, video, video game,
17 television series, or commercial made in Vermont, in whole or in part, for
18 commercial distribution.

19 (B) “Motion picture” does not mean a television production featuring
20 news, current events, weather, financial market reports, sporting events, award

1 shows, productions solely for fundraising, long-form productions primarily to
2 market a product or service, or productions containing obscene material.

3 (3) “Motion picture production company” means a person engaged in
4 the business of producing motion pictures, but shall not include a person in
5 default on taxes owed to the State or on a loan made or guaranteed by the
6 State.

7 (4)(A) “Production expenditures” means preproduction, production, and
8 postproduction expenditures directly incurred in the production of a motion
9 picture.

10 (B) “Production expenditures” includes wages and salaries paid to
11 individuals employed in Vermont in the production of the motion picture, but
12 does not include wages or salaries in excess of \$1 million for any one
13 individual for one motion picture production; and the costs of the following
14 activities: set construction and operation, editing and related services,
15 photography, sound synchronization, lighting, wardrobe, make-up and
16 accessories; film processing, transfer, mixing, special and visual effects;
17 music; location fees and the cost of purchase or rental of facilities and
18 equipment; or any other production expense that may be determined by the
19 secretary to be an eligible production expense.

20 (C) “Production expenditures” does not include costs incurred for
21 marketing or advertising a motion picture.

1 (5) “Secretary” means the Secretary of the Agency of Commerce and
2 Community Development.

3 (6) “State-certified production” means a motion picture production
4 certified by the Agency, pursuant to rules adopted by the Agency, and
5 produced by a motion picture production company that has signed a reasonable
6 distribution plan with a major theatrical exhibitor, a television network, or a
7 cable television program.

8 (b) Motion picture production company tax credit. A motion picture
9 production company shall be allowed any or all of the following:

10 (1) A credit against the income tax imposed under chapter 151 of this
11 title in the amount of 25 percent of the production expenditures incurred in the
12 taxable year within the State, and directly related to a production filmed in
13 Vermont with a total production budget of at least \$250,000.00, as certified by
14 the Secretary.

15 (2) A credit against the income tax imposed under chapter 151 of this
16 title in the amount of 15 percent of production expenditures incurred in the
17 taxable year outside the State for items not available in Vermont and which are
18 directly related to a production filmed in Vermont with a total production
19 budget of at least \$250,000.00, as certified by the Secretary.

20 (3) A credit against the income tax imposed under chapter 151 of this
21 title in the amount of 10 percent of production expenditures incurred in the

1 taxable year within the State directly related to a 100-percent animated
2 production or a production for game consoles with embedded online
3 capabilities, as certified by the Secretary.

4 (c) Certification and administration.

5 (1) The Secretary shall determine by rule criteria for qualification of
6 motion picture projects in accordance with this section.

7 (2) Upon completion of the state-certified production, the Secretary
8 shall review the production expenditures and issue a credit certificate to the
9 taxpayer.

10 (3) A taxpayer applying for the credit certification shall reimburse the
11 Secretary for any audit the Secretary determines is required to certify the
12 credit.

13 (d) Notwithstanding any provision of this section to the contrary, the
14 Secretary shall not issue a credit certificate pursuant to this section unless he or
15 she determines that the production of a motion picture for which credit would
16 otherwise would be allowed yielded a net fiscal benefit to the State.

17 Sec. D.2. 32 V.S.A. § 5930ii(a) is amended to read:

18 § 5930II. RESEARCH AND DEVELOPMENT TAX CREDIT

19 (a) A taxpayer of this State shall be eligible for a credit against the tax
20 imposed under this chapter in an amount equal to ~~27~~ 30 percent of the amount
21 of the federal tax credit allowed in the taxable year for eligible research and

1 development expenditures under 26 U.S.C. § 41(a) and which are made within
2 this State.

3 (b) Any unused credit available under subsection (a) of this section may be
4 carried forward for up to 10 years.

5 (c) Each year, on or before January 15, the Department of Taxes shall
6 publish a list containing the names of the taxpayers who have claimed a credit
7 under this section during the most recent completed calendar year.

8 * * * Land Use; Economic Development Planning * * *

9 Sec. E.1. 24 V.S.A. § 2793b(b) is amended to read:

10 (b) Within 45 days of receipt of a completed application, the State Board
11 shall designate a new town center development district if the State Board finds,
12 with respect to that district, the municipality has:

13 * * *

14 (2) Provided a community investment agreement that has been executed
15 by authorized representatives of the municipal government, businesses and
16 property owners within the District, and community groups with an articulated
17 purpose of supporting downtown interests, and contains the following:

18 * * *

19 (F) Evidence that civic and public buildings or publicly owned
20 structures or facilities devoted to community use do exist, or will exist in the

1 center, as shown by the capital improvement plan or the capital budget and
2 program, and the official map.

3 * * *

4 Sec. E.2. 10 V.S.A. § 6081(x) is added to read:

5 (x) Improvements to be constructed within an industrial park that was in
6 existence as of January 1, 2010 and subject to an “umbrella permit” issued
7 under this chapter shall not be required to obtain a permit or permit amendment
8 if each of the following applies:

9 (1) The improvements will comply with those specific conditions of the
10 umbrella permit included to resolve issues critical to issuance of the permit.
11 Such conditions shall not include any requirement under the umbrella permit to
12 obtain a permit amendment.

13 (2) The municipality in which the improvements will be located has in
14 effect a land use plan and zoning and subdivisions bylaws under 24 V.S.A.
15 chapter 117.

16 (3) The municipality has issued a municipal land use permit for the
17 improvements under that chapter.

18 (4) The Agency of Natural Resources has issued those permits and
19 approvals that its enabling statutes require for the improvements.

20 Sec. E.3. 24 V.S.A. § 2788 is added to read:

21 § 2788. ENTERPRISE ZONES

1 (a) After consultation with the regional planning commission and the
2 planning commission of each affected municipality, a regional development
3 corporation may propose an enterprise zone consisting of a list of properties
4 contiguous or adjacent to each other to serve as locations for new or expanded
5 manufacturing.

6 (b) The regional development corporation shall provide notice and
7 opportunity to submit written comment and request a public hearing on each
8 proposal for an enterprise zone.

9 (1) The corporation shall provide notice of the proposal on its web page
10 and directly to each affected regional planning commission, the legislative
11 body and planning commission of each affected municipality, and the
12 landowners of record in the proposed enterprise zone.

13 (2) The corporation may hold a public hearing on request or on its own
14 motion and shall hold a public hearing if requested by an affected regional
15 planning commission, the legislative body or planning commission of an
16 affected municipality, or a group consisting of or representing 25 or more
17 persons within an affected region or municipality.

18 (3) The contested case provisions of 3 V.S.A. chapter 25 shall not apply
19 to the designation of an enterprise zone.

20 (c) After providing the notice and opportunity required by subsection (b) of
21 this section, the regional development corporation may designate an enterprise

1 zone if it finds that each property included in the zone is a suitable and
2 commercially viable location on which to site manufacturing and will be
3 supported by transportation, water, wastewater, and other necessary
4 infrastructure in sufficient capacity to support manufacturing. The
5 corporation’s decision on the enterprise zone shall respond to each comment
6 received.

7 (d) On designation of an enterprise zone under this section:

8 (1) The Agency of Natural Resources shall issue a decision on an
9 application for each permit or approval that its enabling statutes require for
10 development in the zone within 45 days of the date of application.

11 (2) The regional development corporation or municipality in which the
12 zone is located may apply for and receive a “master plan” permit or partial
13 findings, or both, for the zone under 10 V.S.A. chapter 151 and the rules
14 adopted under that chapter. If a master plan permit is issued, then subsequent
15 development within the zone shall require no further permits or permit
16 amendments under 10 V.S.A. chapter 151, notwithstanding any provision of
17 that chapter to the contrary.

18 Sec. E.4. 10 V.S.A. § 6081(p) is amended to read:

19 (p) No permit or permit amendment is required for any change to a project
20 that is located entirely within a downtown development district designated
21 pursuant to 24 V.S.A. § 2793 or a growth center designated pursuant to

1 24 V.S.A. § 2793c, if the change consists exclusively of any combination of
2 mixed use and mixed income housing, and the cumulative changes within any
3 continuous period of five years, commencing on or after the effective date of
4 this subsection, remain below the jurisdictional threshold applicable to the
5 municipality specified in ~~subdivision 6001(3)(A)(iv)(I)~~ subdivisions
6 6001(3)(A)(I)(aa) through (ff) of this title. Notwithstanding any contrary
7 provision of this chapter, mixed use that is exempt under this subsection may
8 include small scale, low impact manufacturing.

9 * * * Business Promotion; Access to Capital;

10 Tourism and Marketing * * *

11 Sec. F.1. TOURISM AND MARKETING INITIATIVE

12 (a) The amount of \$750,000.00, is appropriated from the General Fund to
13 the Agency of Commerce and Community Development to promote economic
14 development strategies targeted to prospective employers and employees
15 outside the State:

16 (1) to emphasize Vermont's long history of innovation, including
17 agricultural, business, and technical innovation, product design, and
18 entrepreneurship; and

19 (2) to promote Vermont as both a great place to live and a great place to
20 do business.

1 (b) The Agency of Commerce and Community Development may contract
2 with a private marketing firm located in Vermont to carry out the brand
3 initiative pursuant to this section.

4 Sec. F.2. MEDIA PRODUCTION DATABASE

5 (a) The Agency of Commerce and Community Development shall create
6 and maintain a current media production database, which it shall make
7 available to the public through its website and other appropriate sources, of
8 production resources that are in the State.

9 (b) The database shall be a searchable directory of media production
10 professionals, including location scouts, lighting resources, animation, studios,
11 equipment rental, sites, editing equipment, independent contractors who work
12 in production, acting, and photographers.

13 (c) The Agency shall seek to partner with one or more Vermont colleges,
14 universities, or other internship programs to support the creation and
15 maintenance of the database pursuant to this section.

16 Sec. F.3. 10 V.S.A. chapter 14 is amended to read:

17 Chapter 14: ~~The Vermont Venture Capital Fund~~ The Vermont Entrepreneur to

18 Entrepreneur Lending and Investment Program

19 § 281. THE VERMONT ENTREPRENEUR TO ENTREPRENEUR

20 LENDING AND INVESTMENT PROGRAM

1 (a) There is created within the Department of Economic Development in
2 the Agency of Commerce and Community Development the Vermont
3 Entrepreneur to Entrepreneur Lending and Investment Program.

4 (b)(1) The Department shall create and maintain a registry for established
5 entrepreneurs who wish to make loans or investments and for emerging
6 entrepreneurs who seek investments.

7 (2) The Department shall facilitate matchmaking between potential
8 investors and recipients through its website, events, or other mechanisms as it
9 deems appropriate and effective.

10 (c) Notwithstanding any provision of law to the contrary, an established
11 entrepreneur registered with the Department pursuant to subsection (b) of this
12 section:

13 (1) may make one or more commercial loans to one or more registered
14 emerging entrepreneurs with a maximum annual interest rate of not more than
15 12 percent, up to an aggregate cap of \$500,000.00;

16 (2) shall not be subject to the licensed lender provisions of 8 V.S.A.
17 chapter 73; and

18 (3) shall be eligible for a credit against his or her income tax liability
19 imposed under 32 V.S.A. chapter 151, in an amount equal to 50 percent of the
20 interest earned on a loan made pursuant to this section, in each tax year in
21 which he or she earns interest.

1 (d) An established entrepreneur registered with the Department pursuant to
2 subsection (b) of this section:

3 (1) may make one or more equity investments in a business operated by
4 a registered emerging entrepreneur up to an aggregate cap of \$500,000.00;

5 (2) shall be eligible for a credit against his or her income tax liability
6 imposed under 32 V.S.A. chapter 151, in an amount equal to 50 percent of the
7 amount of dividends or capital gains earned on his or her investment made
8 pursuant to this section, in each tax year in which he or she earns dividends or
9 capital gains.

10 (e) A registered person who is the recipient of a loan or an equity
11 investment pursuant to this section shall be eligible for a tax credit against his
12 or her tax liability imposed under 32 V.S.A. chapter 151, in the amount of
13 \$1,000.00 for each new full-time job created and maintained for two years,
14 which he or she may claim for the tax year of the second anniversary of the
15 date of hire.

16 (f) The Department shall have the authority to adopt rules and procedures
17 to administer the program created in this section, including:

18 (1) standards for establishing a registration fee and registration tracking
19 number for each loan or equity investment made through the program;

20 (2) standards for eligibility criteria and ensuring eligibility and
21 compliance consistent with the program; and

1 (3) a process for awarding tax credit certificates for qualifying taxpayers
2 pursuant to the program, which a taxpayer shall file with his or her Vermont
3 income tax return for the tax year in which he or she claims credit.

4 Sec. F.4. STRATEGIC EMPLOYER DESIGNATION

5 (a) The Governor shall have the authority to designate as a “Strategic
6 Employer” a for-profit businesses that is an export-oriented, dollar-importing
7 economic contributor and employer.

8 (b) The Governor may designate up to 10 businesses in each county, except
9 Chittenden County, where he or she may designate up to 15 businesses. The
10 period of the designation shall be three years.

11 (c) Notwithstanding any provision of law to the contrary, pursuant to
12 procedures adopted by the Agency of Commerce and Community
13 Development for the purpose of implementing this section, during the period
14 of designation a Strategic Employer shall be eligible to receive:

15 (1) targeted property tax incentives;

16 (2) energy surcharge exemptions;

17 (3) access to lower-cost electric rates;

18 (4) priority authorization and allocation of funding for workforce
19 education and training funds and programs; and

20 (5) priority authorization and allocation of funding for Vermont
21 Employment Growth Incentives.

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* * * Public Retirement * * *

Sec. G.1. [Reserved]

* * * Workforce Development * * *

Sec. H.1. ADVANCED MANUFACTURING AND INFORMATION
TECHNOLOGY PROGRAMS

The Agency of Commerce and Community Development shall design and implement two programs focused to increase workforce capacity in the sectors of advanced manufacturing and information technology.

(1) Advanced Technology and Information Technology Readiness Training Program. This training program shall provide training in critical, immediate-term workforce need areas including technicians, mechanical and technical skills, machinist training, web and graphic development, coding, and health care technology services.

(2) Advance Manufacturing and Information Technology Employee Development, Education, and Certification Program. This program shall provide training in long-term critical workforce need areas including technicians, mechanical and technical skills, machinist training, web design, graphic development, coding, and health care technology services. This program shall also provide allocations for education and training providers to graduate and find jobs for Vermonters in Vermont employers in these sectors.

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* * * VSJF Proposals * * *

* * * Marketing; Vermont Brand * * *

Sec. VSJF.1. 3 V.S.A. § 2476 is amended to read:

§ 2476. DEPARTMENT OF TOURISM AND MARKETING

(a) Creation. The Department of Tourism and Marketing is created within the Agency of Commerce and Community Development. The Department shall be administered by a Commissioner.

(b) Tourism marketing. The Department shall be responsible for the promotion of Vermont's travel, recreation, and cultural attractions through advertising and other informational programs, and for provision of travel and recreation information and services to visitors to the State, in coordination with other agencies of State government, chambers of commerce and travel associations, and the private sector in order to increase the benefits of tourism marketing, including:

- (1) enhancing Vermont's image as a tourist destination in the regional, national, and global marketplace;
- (2) increasing occupancy rates;
- (3) increasing visitor spending throughout the State; and
- (4) increasing State revenues generated through the rooms and meals tax.

1 (c) Economic development marketing. The Department shall be responsible
2 for the promotion of Vermont as great place to live, work, and do business in
3 order to increase the benefits of economic development marketing, including:

4 (1) attracting additional private investment in Vermont businesses;

5 (2) recruiting new businesses;

6 (3) attracting more innovators and entrepreneurs to locate in Vermont;

7 (4) attracting, recruiting, and growing the workforce to fill existing
8 vacancies in growing businesses; and

9 (5) promoting and supporting Vermont businesses, goods, and services.

10 ~~(d) On and after July 1, 1997, all departments engaging in marketing~~
11 ~~activities shall submit to and coordinate marketing plans with the~~
12 ~~Commissioner.~~

13 (e) The Department may conduct direct marketing activities pursuant to this
14 chapter or 10 V.S.A. chapter 27, and shall work to increase marketing
15 activities conducted in partnership with one or more private sector partners to
16 maximize State marketing resources and to enable Vermont businesses to align
17 their own brand identities with the Vermont brand, enhancing the reputations
18 of both the business and the State.

19 (f) Building on established, successful collaboration with private partners in
20 travel and tourism, agriculture, and other industry sectors, the Department shall
21 have the authority to extend its marketing and promotional resources to include

1 partners in the arts and humanities, as well as other partners that depend on
2 tourism for a significant part of their annual revenue.

3 (g) The Department shall expand its outreach and information-gathering
4 procedures to allow Vermont businesses and other interested stakeholders to
5 comment on the design and implementation of its tourism marketing and
6 economic development marketing initiatives and also to provide ongoing
7 feedback to the Department on the effectiveness of its initiatives.

8 Sec. VSJF.2. 2005 Acts and Resolves No. 71, Sec. 205a is amended to read:

9 Sec. 205a. CHIEF MARKETING OFFICER

10 (a) The establishment of one (1) new exempt position - Chief Marketing
11 Officer - is authorized in fiscal year 2006. This position shall be transferred
12 and converted from existing vacant positions in the executive branch of state
13 government and shall be established within the office of the secretary of
14 commerce and community development, to be appointed by and report to the
15 secretary of the agency of commerce and community development.

16 ~~—(b) It is the responsibility of the Chief Marketing Officer (CMO) to ensure~~
17 ~~consistency and efficiency in the use of state funds for marketing and~~
18 ~~promotional activities conducted by state agencies. The duties of the CMO~~
19 ~~shall include, but not be limited to, the following:~~

20 (1) ~~Consolidate appropriate statewide marketing communications~~
21 ~~activities of the marketing and promotional (MAP) state agency partners, the~~

1 ~~department of tourism and marketing, the department of economic~~
2 ~~development, the agency of agriculture, food and markets, the division of~~
3 ~~historic preservation, the agency of transportation, the department of forests,~~
4 ~~parks and recreation, the department of fish and wildlife, and the information~~
5 ~~centers division.~~

6 ~~——(2) Develop, produce, and place marketing and promotional materials~~
7 ~~for all MAP agencies. The CMO will work with the MAP agencies to develop~~
8 ~~annual marketing objectives, plans, and strategies and create objective metrics~~
9 ~~for evaluating the effectiveness of the centralized marketing approach.~~

10 ~~(3) Marketing and promotional funds allocated with agency budgets will~~
11 ~~be retained by the state agencies; however, the expenditure of these funds must~~
12 ~~first be approved by the CMO.~~

13 ~~——(4) The CMO shall consolidate state marketing and promotional~~
14 ~~activities with these existing resources in state agencies. The CMO may make~~
15 ~~recommendations for reallocation through interdepartmental transfer of these~~
16 ~~resources. Funds may be transferred with the approval of the general assembly~~
17 ~~or the joint fiscal committee if the general assembly is not in session.~~

18 ~~——(5) The CMO will conduct annual research to assess state agency~~
19 ~~satisfaction with the centralized marketing department and communicate the~~
20 ~~benefits of the consolidated statewide approach to all state agencies.~~

1 ~~——(6) The CMO shall report to the general assembly by January 15, 2006~~
2 ~~on the potential for licensing a state owned Vermont brand to state based~~
3 ~~companies. This report shall include the statutory changes that will be needed,~~
4 ~~including the repeal of existing regulations regarding the use of the Vermont~~
5 ~~name; and the estimated time line for establishing the Vermont brand program.~~

6 ~~——(7) The CMO shall work collaboratively with the higher education~~
7 ~~community in Vermont upon request by institutions of higher education.~~

8 ~~——(c) The CMO and the secretary of commerce and community development~~
9 ~~shall make recommendations to redirect state resources from administration~~
10 ~~and overhead in MAP agencies to marketing and promotional activities.~~

11 Sec. VSJF.3. 3 V.S.A. § 2477 is added to read:

12 § 2477. CHIEF MARKETING OFFICER

13 (a) The position of Chief Marketing Officer is created within the Agency
14 of Commerce and Community Development.

15 (b) The Chief Marketing Officer shall:

16 (1) serve as the steward of the Vermont brand;

17 (2) ensure consistency and efficiency in the use of state funds for
18 marketing and promotional activities conducted by State agencies;

19 (3) consolidate appropriate statewide marketing communications
20 activities of marketing and promotional state agencies and agency partners;

1 (4) conduct annual research to assess state agency satisfaction with the
2 centralized marketing department and communicate the benefits of the
3 consolidated statewide approach to all State agencies.

4 (c) Each agency and department that engages in marketing activities shall
5 submit to and coordinate marketing plans with the Chief Marketing Officer.

6 Sec. VSJF.4. APPROPRIATION; AUTHORIZATION OF POSITIONS

7 In fiscal year 2018, the amount of \$500,000.00 is appropriated from the
8 General Fund to the Agency of Commerce and Community Development:

9 (1) to fund up to two full-time equivalent positions to support the work
10 of the Chief Marketing Officer; and

11 (2) to fund the activities of the Chief Marketing Officer in crafting and
12 marketing the Vermont brand in targeted sectors to promote economic
13 development, including working lands, green technology, recreation, contract
14 manufacturing, and food systems.

15 * * * Organization and Orientation of State Government for Economic
16 Development * * *

17 Sec. VSJF.5. 3 V.S.A. § 2471 is amended to read:

18 § 2471. DEPARTMENT OF ECONOMIC DEVELOPMENT

19 (a) The Department of Economic Development is created within the
20 Agency of Commerce and Community Development as the successor to and
21 the continuation of the Department of Development.

1 (b) The Department shall promote economic development throughout the
2 State:

3 (1) by providing services and support to businesses across all sectors,
4 including:

5 (A) facilitating access to government contracting through the
6 [Government Marketing Assistance Center under section 2471b of this title]
7 [Procurement Technical Assistance Center;

8 (B) providing assistance with international trade;

9 (C) providing assistance with technology transfer; and

10 (D) providing assistance with workforce training through the
11 Vermont Training Program pursuant to 10 V.S.A. § 531; and

12 (2) working with the Sustainable Jobs Fund Program under 10 V.S.A.
13 chapter 15A and other partners, by facilitating the growth of clusters of
14 businesses within targeted sectors, including working lands, green technology,
15 contract manufacturing, health information services, and recreation, to create a
16 healthy ecosystem of business services, financing, workforce development, and
17 government support services that creates the conditions for growth within each
18 sector.

19 (c) The Department shall collaborate with the Department of Housing and
20 Community Development to promote public and private investment in, and the

1 development of workforce housing within, downtowns and village centers to
2 attract young entrepreneurs and workers to revitalize rural communities.

3 (d) The Department shall coordinate and lead economic development
4 efforts within and across State government to improve the economy and
5 transcend silos within State government, including direct collaboration with:

6 (1) the Agricultural Development Division in the Agency of
7 Agriculture, Food and Markets;

8 (2) the Clean Energy Development Fund and other grant and financing
9 programs in the Department of Public Service;

10 (3) the STEM priority areas aligned with the State’s Comprehensive
11 Economic Development Strategy, in the Agency of Education; and

12 (4) the wood utilization division in the Department of Forests, Parks and
13 Recreation.

14 (e) The Department shall coordinate and lead efforts within and across
15 State government to grow the workforce to meet employer needs, including
16 strategies to recruit new workers to the State.

17 * * * Business Support; Investment * * *

18 Sec. VSJF.6. APPROPRIATION; SMALL BUSINESS DEVELOPMENT
19 CENTER

20 In fiscal year 2018 there is appropriated from the General Fund to the
21 Vermont Small Business Development Center:

1 (1) the amount of \$350,000.00 for the purpose of increasing the number
2 of business advisors throughout the State; and

3 (2) the amount of \$100,000.00 for the purpose of fully funding the
4 SBDC technology commercialization advisor position.

5 Sec. VSJF.7. APPROPRIATION; WORKING LANDS ENTERPRISE FUND

6 In fiscal year 2018 the amount of \$1,000,000.00 is appropriated from the
7 General Fund to the Working Lands Enterprise Fund , which the Working
8 Lands Enterprise Board shall use to award small grants to businesses and
9 business support services.

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

11 Sec. VSJF.8. WORKFORCE NEEDS AND CTE ASSESSMENT

12 (a) The, Department of Labor, in collaboration with the Agency of
13 Commerce and Community Development and the Agency of Education, shall
14 undertake a workforce needs and career and technical education assessment:

15 (1) to identify sectors and subsectors of the Vermont economy that are
16 growing and require more workers; and

17 (2) to improve and target career and technical education in these growth
18 sectors.

19 (b) The Department of Labor shall produce data and analysis of workforce
20 needs at the NAICS sector and subsector levels, and for firm size by county, in
21 order to facilitate the workforce needs assessment required by this section.

1 (c) The Department shall submit a report of its findings, conclusions, and
2 recommendations for legislative action on or before December 15, 2017.

3 Sec. VSJF.9. 10 V.S.A. § 540 is amended to read:

4 § 540. WORKFORCE ~~EDUCATION AND TRAINING~~ DEVELOPMENT
5 LEADER

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

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

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

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

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

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

4 (E) ensure coordination and non-duplication of workforce education
5 and training activities;

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

8 (G) design and implement criteria and performance measures for
9 workforce education and training activities; and

10 (H) establish goals for the integrated workforce education and training
11 system.

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

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

18 (B) amount of funding;

19 (C) activities and training provided;

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

21 (E) employment status of trainees; and

1 (F) future needs for resources.

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

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

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

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

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

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

21 Sec. VSJF.10. 10 V.S.A. § 543 is amended to read:

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

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

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

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

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

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

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

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

21 (d) Eligible activities.

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

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

8 (B) employ student-oriented approaches to workforce education and
9 training; and

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

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

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

17 (e) Repealed].

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

21 (1) Training Programs.

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

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

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

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

14 (iv) articulate the need for the training and the direct connection
15 between the training and the job.

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

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

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

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

8 (iv) in the discretion of the Commissioner, otherwise serve the
9 purposes of this chapter.

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

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

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

20 * * * Regional Workforce Development and Economic Development * * *

1 [Build up regional capacity on workforce development and economic
2 development?]

3 [Consider sector specific workforce-educator-business partnerships to
4 emerge at the regional level?]

5 [Strengthen regional centers: analyze over- and under-performing regional
6 centers to understand why growth is occurring in some regions outside of
7 Chittenden County and not in others?]

8 [Look at the sectors where job growth is happening already and where the
9 rest of the State can compete with Chittenden County?]

10 [Focus on what’s happening to young adults: analyze trends in young home
11 ownership?]

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15 Sec. X. EFFECTIVE DATE

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