

Section-by Section Summary of Economic Development SED Committee Bill

This document provides a section-by-section summary of the economic development committee bill originated by the Senate Committee on Economic Development, Housing and General Affairs. The summary includes provisions included in both drafts 8.1 and 9.1. Provisions that were included in draft 8.1, but not subsequently included in 9.1, are italicized. A draft 10.1 is under development for the week of March 13.

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Summary

Secs. A.1-A.2: Vermont Employment Growth Incentive Program (VEGI)

Sec. A.1 – multiple amendments to 32 VSA chapter 105, the chapter that governs the VEGI program:

1. § 3332/3334 – competing proposals to require an applicant to certify/VEPC to find that the business complies with air and water quality regulations
 - further proposal forthcoming in draft 10.1 to add a requirement that the Vermont Economic Progress Council adopt a rule or procedure to require certification, to the best of business leadership’s knowledge, that business complies with all state laws and regulations
2. § 3334(f) – adds a “purpose” statement for the enhanced incentive for a business in a qualifying labor market area
3. § 3335(c) – adds a “purpose” statement for the enhanced incentive for an environmental technology business (“Green VEGI”)
4. § 3339 – authorizes Department of Taxes to recapture incentives paid if a business falsely certified during application or claims process that it was in compliance with state [air and water quality] laws
5. § 3341 – standardizes section governing confidentiality of business information under the VEGI Program with respect to the Public Records Act and specifies that, except information that is reported pursuant to § 3340, other business information supplied to VEPC and the Department of Taxes are exempt from public inspection.

Sec. A.2. *Allocation of 10% of incremental VEGI revenues to the Vermont Training Program*

Secs. B.1-B.3: Vermont Enterprise Fund

- B.1** – *repeals session law that created Enterprise Fund, including sunset (6/30/17)*
B.2 – *codifies Enterprise Fund*
B.3 – *unspecified appropriation to Fund*

Secs. C.1: Tax Credits and Current Use

- C.1** – *angel investor tax credit; millennial enterprise zone tax credit; motion picture production tax credit*
C.2 – *increases Research and Development tax credit from 27% to 30%*
C.3 – *sales and use tax exemptions for aircraft and aircraft parts, machinery, and equipment;*
 - further proposal for draft 10.1 to extend exemption only for commercial sales of aircraft (not private sales) and for parts, etc.**C.4** – *repeals prior amendments and effective dates for aircraft exemption*

C.5 – sales and use tax holiday for energy efficient products August 25, 26, 27; foregone tax revenue reimbursed from monies raised to support each appointed efficiency utility under 30 V.S.A. § 209(d)(2); holiday will be considered an energy transformation project and fossil fuel reductions credited to utility providers toward Tier 3 obligations.

- further proposal forthcoming in draft 10.1 to eliminate reimbursements for local option taxes, vendor re-programming, and narrowing list of eligible products

C.6 – *current use; specifies that “agricultural land” includes buffer zones; and that “farm buildings” include farm employee housing in use during prior 12 months*

C.7 – *current use; moves annual certification from September 1 to November 1*

C.8 – creates a sales and use tax holiday for hybrid and electric vehicles from September 1-September 17; 6% foregone revenue will be reimbursed from Energy Efficiency Fund

Secs. D.1-D.8: Land Use, Natural Resources, Telecommunications

D.1 – *new town center designation; current requirement is that a municipality seeking a designation has or will have civic or public buildings in the town center; new language expands to include option of “publicly owned structures or facilities devoted to community use”*

D.2 – *Act 250; industrial parks; provides that a park with an “umbrella permit” is not required to obtain an Act 250 permit or permit amendment if town has zoning, project has a municipal land use permit, and project has ANR permits.*

D.3 – *RDCs; enterprise zones; allows RDC to designate a list of contiguous/adjacent properties as enterprise zone for manufacturing; gets expedited ANR permits and Act 250 “master plan” permits*

D.4 – *Act 250; no permit amendment for project entirely within downtown district or growth center, and consists of mixed use and mixed income housing; adds provision that mixed use can include small scale, low impact manufacturing*

D.5 – *Act 250; criterion 9(L); strikes definitions of “existing settlement” and “strip development” and adds definition of “rural growth areas” and works with Sec. D.6 -*
D.6 – *changes 9(L) to allow permit for rural growth areas.*

D.7 – *Act 250; monetary demand in return for withdrawal; limits a party’s ability to demand money to withdraw from a proceeding if the payment will redress, mitigate, or remediate the effect of the proposed development on a particularized interest protected under act 250, for which the demanding party obtained party status.*

D.8 – *248a telecommunications siting – removes sunset of 248a process*

Secs. E.1-E.2: Water Quality and Brownfields

E.1 – specifies that private developers can seek funding from Clean Water Fund for water quality projects or programs

E.2 – creates a brownfields working group to review the Brownfields Reuse and Environmental Liability Limitation (BRELLA) Program

Sec. F.1: Economic Development Marketing

Appropriates \$750,000 to ACCD to implement an economic development marketing initiative.

Sec. G.1: Workforce Education and Training; Appropriation; Vermont Training Program

Appropriates \$200,000 to ACCD to provide workforce training in the trades through the Vermont Training Program

Secs. H.1-H.2: Public Retirement

Directs Vermont to adopt and implement a multiple employer plan public retirement plan called the Green Mountain Secure Retirement Plan, available on a voluntary basis to employers with 50 or fewer employees who do not offer a retirement plan, and to self-employed persons, pursuant to a specific proposal to be developed by the Public Retirement Study Committee pursuant to **Sec. H.2**.

Secs. I.1-I.2: VOSHA and Workers' Compensation

Sec. I.1 – raises civil penalties for VOSHA violations to match amounts required under federal law

Sec. I.2 – lowers the employers contribution for workers compensation

Secs. J.1-J.10: Agency of Commerce and Community Development; Business Counseling; Marketing; Workforce Development

J.1 – J.3: codifies the Chief Marketing Officer position in statute, repealing from session law, and specifying duties of the position and relative duties of Dept. of Tourism and Marketing

J.4 – appropriates \$500,000 to Chief Marketing Officer to fund activities and add up to two new full-time positions to support its work

J.5 – directs Dept of Economic Development to focus services toward targeted sectors; coordinate with DHCD to increase workforce housing in downtowns; and to act as coordinator across State government for economic and workforce development

J.6 – appropriates \$250,000 to the Vermont Small Business Development Center to increase the number of business advisers in the State and appropriates \$100,000 to fully fund the SBDC technology commercialization advisor position

J.7 – *appropriates \$1m to Working Lands Enterprise Fund*

J.8 – directs Department of Labor, with ACCD and AoE, to conduct a workforce needs and career and technical education assessment and report.

J.9 – *directs Commissioner of Labor to coordinate a comprehensive workforce development strategy within and across State government*

J.10 – authorizes funding from the Workforce Education and Training Fund for career training and planning for younger Vermonters, beginning in middle school.

Secs. K.1-K.7: Community Action Agencies; Business and Individual Services

K.1 – appropriates \$150,000 to the Microbusiness Development Programs

K.2 – *appropriates \$114,700 to the Individual Development Matching Grant Special Fund*

K.3 – *appropriates \$250,000 to the Agency of Human Services for pass through grants to the Community Action Agencies for workforce development and training services.*

K.4 – *appropriates \$200,000 to the Agency of Human Services for pass through grants to the Community Action Agencies for financial education, coaching, and credit building services.*

K.5 – *to the Agency of Human Services to create a Vermont Matched Savings Account Program*

K.6 – *creates the Vermont Matched Savings Account Program*

K.7 – *appropriates \$100,000 for the Volunteer Income Tax Assistance Program*

Secs. L.1-L.2: Climate Economy Business Accelerator

L.1 – findings and background on the “Accelerator” designed to provide business training and development services for cohorts of early state businesses and entrepreneurs in the climate economy sector to “accelerate” – to scale-up growth and hiring at a faster rate as a result of the training and mentoring they receive

L.2 – appropriates \$150,000 to the Vermont Sustainable Jobs Fund to leverage private monies and implement the Climate Economy Business Accelerator

Secs. M.1-M.2: Vermont Minimum Wage

M.1 – Creates a new ladder for the minimum wage in statute - \$11.50 as of 1/1/19; \$12.50 as of 1/1/20, \$13.50 as of 1/1/21; \$15.00 as of 1/1/22.

M.2 – creates a minimum wage study committee and report

Secs. N.1-N.2: Development Cabinet; Economic Development Principles

N.1 – directs the Governor’s Development Cabinet to explore and report on ways to cross-promote State policies when awarding economic development incentives

N.2 – placeholder for economic development principles and benchmarks; no change in law

Secs. O.1-O.5: [Placeholders for business investment programs through VMEC, VCET, and VEDA]

No changes to law proposed as of draft 8.1

Sec. P.1: Financial Technology Study

Directs Commissioner of Financial Regulation, Secretary of ACCD, and Attorney General, working with VLS Center for Legal Innovation, to study and report on risks and rewards of development in financial technology, a policy direction, and goals and outcomes for success.

Secs. Q.1 – Q.7: Remote Work; Flexible Work Arrangements

Q.1 – creates a Remote and Flexible Workplace Tax Credit for employers that offers a qualified remote and flexible workplace program, including two or more of: flexible work schedule, job share, part time work, telecommuting, and onsite or subsidized child care; credit amount of \$250 per participating employee, plus 10% of expenditures on child care and equipment for telecommuting;

Q.2 – directs Secretary of Administration to study and report on promotion of remote and flexible work options in State government

Q.3 – directs Secretary of Administration and Secretary of State to design a system and provide a report on making State government more accessible and simple for businesses with remote workers, including simplifying registration, access to regulations, making payments to the State, and annual filing requirements, and providing business support.

Q.5 – directs Secretary of ACCD with DOL, DPS, and BGS, to study and report on the infrastructure needs of start-up businesses developing from generator spaces, promoting

use of remote worksites and generator spaces, and reducing regulatory burdens on these businesses.

Q.5 – directs Secretary of Administration, with ACCD and BGS, to study and report on creation and use of remote worksites available for use by public and private sector employees

Q.6 – directs DOL and higher education partners to conduct a workforce needs assessment and create a plan to create and prioritize educational programs to meet workforce educational needs.

Q.7 – directs ACCD, with DPS, to develop a rural workforce broadband program to encourage deployment of broadband Internet access in rural, high-cost areas.