

1 Introduced by Committee on Economic Development, Housing and General

2 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 implement

7 multiple strategies in diverse subject areas to promote 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 Employment Growth Incentive Program * * *

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

12 Chapter 105: Vermont Employment Growth Incentive Program

13 * * *

14 § 3332. APPLICATION; APPROVAL CRITERIA

15 (a) Application.

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

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

1 (A) specify a payroll performance requirement;

2 (B) specify a jobs performance requirement or a capital investment
3 performance requirement, or both; and

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

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

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

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

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

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

20 (B) the business complies with applicable State laws and
21 regulations; and

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, as provided in subsection (a) of this section.

18 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL
19 TECHNOLOGY BUSINESS

20 (a) As used in this section, an “environmental technology business” means
21 a 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
6 for 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 * * *

11 § 3338. CLAIMING AN INCENTIVE; ANNUAL FILING WITH
12 DEPARTMENT OF TAXES

13 (a) On or before April 30 following each year of the utilization period, a
14 business with an approved application shall submit an incentive claim to the
15 Department of Taxes.

16 (b) A business shall include:

17 (1) the information the Department requires, including the information
18 required in section 5842 of this title and other documentation concerning
19 payroll, jobs, and capital investment necessary to determine whether the
20 business earned the incentive specified for an award year and any installment
21 payment for which the business is eligible; and

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

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

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

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

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

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

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

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

18 § 3339. RECAPTURE; REDUCTION; REPAYMENT

19 (a) Recapture.

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

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

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

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

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

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

9 (i) was not a named party to, or was in compliance with, an
10 administrative order, consent decree, or judicial order issued by the State or a
11 subdivision of the State: or

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

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

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

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

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

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

7 (1) The Department shall:

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

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

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

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

18 (B) the Department shall recapture the amount by which the value of
19 the installment payments the business has already received exceeds the value
20 of the reduced incentive.

21 (c) Tax liability.

1 related to incentive claims under this chapter that are produced or acquired by
2 the Department of Taxes are confidential returns or return information and are
3 subject to the provisions of section 3102 of this title.

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

6 (A) to the Joint Fiscal Office or its agent upon authorization of the
7 Joint Fiscal Committee or a standing committee of the General Assembly, ~~and~~
8 ~~shall also be available; and~~

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

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

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

20 * * *

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

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

7 * * *

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

20 * * *

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

* * *

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

* * *

* * * Public Retirement * * *

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

(a) The State of Vermont shall, consistent with federal law and regulation, adopt and implement a voluntary Multiple Employer Plan (MEP) public retirement plan, which shall remain in compliance with federal law and regulations once implemented, and shall be called the “Green Mountain Secure Retirement Plan.”

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

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

- 1 (2) Affordability: the Plan should be administered to maximize cost
2 effectiveness and efficiency.
- 3 (3) Ease of access: the Plan should be easy to join.
- 4 (4) Trustworthy oversight: the Plan should be administered by an
5 organization with unimpeachable credentials.
- 6 (5) Protection from exploitation: the Plan should protect its participants,
7 particularly the elderly, from unscrupulous business practices and individuals.
- 8 (6) Portability: the Plan should not depend upon employment with a
9 specific firm or organization.
- 10 (7) Choice: the Plan should provide sufficient investment alternatives to
11 be suitable for individuals with distinct goals, but not too many options to
12 induce analysis paralysis.
- 13 (8) Voluntary: the Plan should not be mandatory but autoenrollment
14 should be used to increase participation.
- 15 (9) Financial education and financial literacy: the Plan should assist the
16 individual in understanding their financial situation.
- 17 (10) Sufficient savings: the Plan should encourage adequate savings in
18 retirement combined with existing pension savings and Social Security.
- 19 (11) Additive not duplicative: the Plan should not compete with
20 existing private sector solutions.

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

3 (c) The Plan shall:

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

5 (A) employers:

6 (i) with 50 employees or fewer; and

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

9 (B) self-employed individuals;

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

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

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

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

17 (A) set program terms;

18 (B) prepare and design plan documents; and

19 (C) be authorized to appoint an administrator to assist in the selection
20 of investments, managers, custodians, and other support services.

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

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

6 Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF
7 ESTABLISHING A PUBLIC RETIREMENT PLAN

8 (a) Creation of Committee.

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

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

19 (b) Membership.

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

1 (A) the State Treasurer or designee;

2 (B) the Commissioner of Labor or designee;

3 (C) the Commissioner of Disabilities, Aging, and Independent Living
4 or designee;

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

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

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

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

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

19 (2) Unless another appointee is specified pursuant to the authority
20 granted under subdivision (1) of this subsection, the members of the Public
21 Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179,

1 Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which
2 ceased to exist on January 15, 2016, shall serve as the members of the
3 Committee created pursuant to this section.

4 (c) Powers and duties.

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

10 (i) ~~the access Vermont residents currently have to~~
11 ~~employer sponsored retirement plans and the types of employer sponsored~~
12 ~~retirement plans;~~

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

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

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

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

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

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

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

9 (I) employers:

10 (aa) with 50 employees or fewer; and

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

13 (II) self-employed individuals;

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

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

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

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

21 (I) set programs terms;

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

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

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

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

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

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

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

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

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

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

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

11 (2) The Committee shall:

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

15 (B) further analyze the relationship between the role of states and the
16 federal government; and

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

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

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

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

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

17 * * * Workers' Compensation; VOSHA * * *

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

19 § 210. PENALTIES

20 (a) Upon issuance of a citation under this chapter, the Review Board is
21 authorized to assess civil penalties for grounds provided in this subsection. In

1 assessing civil penalties, the Review Board shall follow to the degree
2 practicable the federal procedures prescribed in rules promulgated under the
3 Act. The Review Board shall give due consideration to the appropriateness of
4 the penalty with respect to the size of the business or operation of the employer
5 being assessed, the gravity of the violation, the good faith of the employer, and
6 the history of previous violations. Civil penalties shall be paid to the
7 Commissioner for deposit with the State Treasurer, and may be recovered in a
8 civil action in the name of the State of Vermont brought in any court of
9 competent jurisdiction. The Commissioner shall not reduce the assessed
10 penalties in any fiscal year by more than 50 percent.

11 (1) Any employer who willfully or repeatedly violates the requirements
12 of this Code or any standard, or rule adopted, or order ~~promulgated~~ issued
13 pursuant to this Code ~~or regulations prescribed pursuant to this Code~~ may be
14 assessed a civil penalty of not more than ~~\$70,000.00~~ \$126,749.00 for each
15 violation, but not less than \$5,000.00 for each willful violation.

16 (2) Any employer who has received a citation for a serious violation of
17 the requirements of this Code, or any standard, or rule adopted, or order
18 ~~promulgated~~ issued pursuant to this Code, ~~or of any regulations prescribed~~
19 ~~pursuant to this Code~~, shall be assessed a civil penalty of up to ~~\$7,000.00~~
20 \$12,675.00 for each violation.

1 compensation insurance, one percent of self-insured workers' compensation
2 losses, and one percent of workers' compensation losses of corporations
3 approved under this chapter. Disbursements from the Fund shall be on
4 warrants drawn by the Commissioner of Finance and Management in
5 anticipation of receipts authorized by this section.

6 * * *

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

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

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

10 LEADER

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

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

16 Workforce Development Board:

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

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

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

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

8 (E) ensure coordination and non-duplication of workforce education
9 and training activities;

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

12 (G) design and implement criteria and performance measures for
13 workforce education and training activities; and

14 (H) establish goals for the integrated workforce education and
15 training system.

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

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

1 (B) amount of funding;

2 (C) activities and training provided;

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

4 (E) employment status of trainees; and

5 (F) future needs for resources.

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

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

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

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

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

1 (8) Coordinate within and across State government a comprehensive
2 workforce development strategy that grows the workforce, recruits new
3 workers to the State, and meets employers’ workforce needs.

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

5 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT
6 PROGRAMS

7 (a) Creation. There is created a Workforce Education and Training Fund in
8 the Department of Labor to be managed in accordance with 32 V.S.A. chapter
9 7, subchapter 5.

10 (b) Purposes. The Department shall use the Fund for the following
11 purposes:

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

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

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

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

20 (c) Administrative and other support. The Department of Labor shall
21 provide administrative support for the grant award process. When appropriate

1 and reasonable the State Workforce Investment Board and all other public
2 entities involved in economic development and workforce education and
3 training shall provide other support in the process.

4 (d) Eligible activities.

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

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

12 (B) employ student-oriented approaches to workforce education and
13 training; and

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

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

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

21 (e) [Repealed].

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

4 (1) Training Programs.

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

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

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

14 (iii) provide a project timeline, including performance goals, and
15 identify how the effectiveness and outcomes of the program will be measured,
16 including for the individual participants, the employers, and the program as a
17 whole; and

18 (iv) articulate the need for the training and the direct connection
19 between the training and the job.

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

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

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

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

11 (iv) in the discretion of the Commissioner, otherwise serve the
12 purposes of this chapter.

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

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

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

4 * * * Vermont Minimum Wage * * *

5 Sec. F.1. MINIMUM WAGE STUDY

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

7 (b) Membership. The Committee shall be composed of the following
8 members:

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

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

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

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

17 (2) the economic effects of small to large increases in the Vermont
18 minimum wage, including in relation to the minimum wage in neighboring
19 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 wages 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 benefit 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.

21 (f) Meetings.

1 activity in the financial technology sector that would provide opportunities for
2 employment, tax revenues, and other benefits.

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

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

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

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

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

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

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

4 (3) Each year the Program:

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

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

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

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

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

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

19 **Sec. H.3. ECONOMIC DEVELOPMENT MARKETING**

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

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

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

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

16 (c) The Secretary of Commerce and Community Development shall
17 establish performance measures that support strategic priorities, including
18 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.