

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

15 ELIGIBLE APPLICANT

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

20 (b) Form of incentives; enhanced incentives.

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

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

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

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

10 (C) an enhanced incentive for a value-added business [?] pursuant to
11 section 3335a of this title; and

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

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

16 * * *

17 § 3332. APPLICATION; APPROVAL CRITERIA

18 (a) Application.

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

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

3 (A) specify a payroll performance requirement;

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

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

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

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

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

15 (3) The business currently complies with applicable State permitting
16 laws and rules and the proposed economic activity ~~conforms~~ would conform to
17 applicable town and regional plans and comply with State permitting laws and
18 regulations.

19 (4) If the business proposes to expand within a limited local market, an
20 incentive would not give the business an unfair competitive advantage over

1 other Vermont businesses in the same or similar line of business and in the
2 same limited local market.

3 (5) But for the incentive, the proposed economic activity:

4 (A) would not occur; or

5 (B) would occur in a significantly different manner that is
6 significantly less desirable to the State.

7 * * *

8 § 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING
9 LABOR MARKET AREA

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

12 (1) the average annual unemployment rate is greater than the average
13 annual unemployment rate for the State; or

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

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

18 (1) \$1,500,000.00 for one or more initial approvals; and

19 (2) \$1,000,000.00 for one or more final approvals.

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

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

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

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

14 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL
15 TECHNOLOGY BUSINESS

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

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

19 (2) seeks an incentive for economic activity in Vermont that the

20 Secretary of Commerce and Community Development certifies is primarily

1 research, design, engineering, development, or manufacturing related to one or
2 more of the following:

3 (A) waste management, including waste collection, treatment,
4 disposal, reduction, recycling, and remediation;

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

9 (C) energy efficiency or conservation;

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

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

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

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

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

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

1 (C) subtract the product from the payroll performance requirement for
2 the award year.

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

6 § 3335a. ENHANCED INCENTIVE FOR **VALUE-ADDED BUSINESS [?]**

7 (a) As used in this section, a “value-added business” means a business that
8 is subject to income taxation in Vermont and whose current or prospective
9 economic activity in Vermont for which the business seeks an incentive under
10 this subchapter is certified by the Secretary of Commerce and Community
11 Development to be primarily in one or more of the following sectors:

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

13 (2) information processing or information management services,

14 including:

15 (A) computer hardware or software, and information and
16 communication technologies, such as high-level software languages, graphics
17 hardware and software, speech and optical character recognition, high-volume
18 information storage and retrieval, and data compression;

19 (B) technological applications that use biological systems, living
20 organisms or derivatives thereof, to make or modify products or processes for
21 specific use;

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

4 (D) computer systems design services such as planning and designing
5 computer systems that integrate computer hardware, software, and
6 communication technologies;

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

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

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

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

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

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

19 (C) subtract the product from the payroll performance requirement
20 for the award year.

1 earn or claim an additional incentive or installment payment for the remainder
2 of the utilization period.

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

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

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

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

14 (1) The Department shall:

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

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

1 (b) Information and materials submitted by a business ~~concerning its~~
2 ~~income taxes~~ to the Council, and any company specific data, information,
3 material, or reports generated by the Council, for the application process under
4 this subchapter, or information and materials submitted by a business to the
5 Department, and any company specific data, information, material, or reports
6 generated by the Department for the claim process under this subchapter, and
7 any other confidential financial information, shall not be subject to public
8 disclosure under the State's public records law in 1 V.S.A. chapter 5, but shall
9 be available to the Joint Fiscal Office or its agent upon authorization of the
10 Joint Fiscal Committee or a standing committee of the General Assembly, and
11 shall also be available to the Auditor of Accounts in connection with the
12 performance of duties under section 163 of this title; provided, however, that
13 the Joint Fiscal Office or its agent and the Auditor of Accounts shall not
14 disclose, directly or indirectly, to any person any proprietary business
15 information or any information that would identify a business except in
16 accordance with a judicial order or as otherwise specifically provided by law.

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

20 (d) Nothing in this section shall be construed to prohibit the publication of
21 statistical information, rulings, determinations, reports, opinions, policies, or

1 other information so long as the data are disclosed in a form that cannot
2 identify or be associated with a particular business.

3 * * *

4 ~~§ 3343. VERMONT EMPLOYMENT GROWTH INCENTIVE~~

5 ~~ELIGIBILITY; GOOD STANDING; WATER AND AIR QUALITY~~

6 ~~(a) As used in this section:~~

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

10 ~~(2) “Good standing” means the applicant:~~

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

14 ~~(B) is in compliance with all federal and State water and air quality~~
15 ~~laws and regulations.~~

16 ~~(b) The Council shall require that an applicant applying for an incentive,~~
17 ~~and the Department of Taxes shall require that an applicant filing a claim for~~
18 ~~an incentive, under pains and penalties of perjury, to certify that the applicant~~
19 ~~is in good standing with the Agency of Natural Resources and the Agency of~~
20 ~~Agriculture, Food and Markets.~~

1 ~~(c) The Council and the Department shall allow for an attachment or~~
2 ~~include space for an applicant who cannot certify under subsection (b) of this~~
3 ~~section to explain the circumstances surrounding the applicant's inability to~~
4 ~~certify.~~

5 ~~(d) At any time following approval of an application for an incentive, an~~
6 ~~applicant shall notify the Council and the Department if the applicant is no~~
7 ~~longer in good standing with the Agency of Natural Resources or the Agency~~
8 ~~of Agriculture, Food and Markets.~~

9 ~~(e) The Council and the Department may consider an applicant's~~
10 ~~certification or explanation under subsection (b) of this section in determining~~
11 ~~whether or not to approve an application for an incentive or a claim for an~~
12 ~~incentive.~~

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

17 ~~(A) seek to recover the incentive; and~~

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

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

1 Sec. A.2. 10 V.S.A. § 532 is added to read:

2 § 532. ALLOCATION OF FUNDS

3 Of the incremental revenue generated to the General Fund each fiscal year
4 by the projects approved for incentives under 32 V.S.A. §3332, 10 percent
5 shall be appropriated to the Vermont Training Program, in addition to the base
6 amount appropriated to the Vermont Training Program each fiscal year, upon a
7 determination by the Secretary of Commerce and Community Development
8 that the sums generated to the General Fund by the projects approved for
9 incentives under 32 V.S.A. §3332 exceed the amount required to pay the
10 installments due to companies under 32 V.S.A. §3338(d)(2) in the same fiscal
11 year.

12 * * * Vermont Enterprise Fund * * *

13 B.1. REPEAL

14 2014 Acts and Resolves No. 179, Sec. E.100.5 (Vermont Enterprise Fund)
15 is repealed.

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

17 § 12. VERMONT ENTERPRISE FUND

18 (a) There is created a Vermont Enterprise Fund, the sums of which may be
19 used by the Governor, with the approval of the Emergency Board, for the
20 purpose of making economic and financial resources available to businesses
21 facing circumstances that necessitate State government support and response

1 more rapidly than would otherwise be available from, or that would be in
2 addition to, other economic incentives.

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

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

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

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

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

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

18 (1) adequately demonstrates:

19 (A) a substantial statewide or regional economic or employment
20 impact; or

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

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

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

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

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

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

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

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

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

1 (A) information on the company;

2 (B) the circumstances supporting the offer of economic and financial
3 resources;

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

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

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

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

11 (G) terms and conditions of the economic and financial resources
12 offered, including:

13 (i) the total dollar amount and form of the economic and financial
14 resources offered;

15 (ii) employment creation, employment retention, and capital
16 investment performance requirements; and

17 (iii) disallowance and recapture provisions.

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

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

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

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

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

10 (f)(1) Proprietary business information and materials or other confidential
11 financial information submitted by a business to the State, or submitted by the
12 Governor to the Emergency Board, for the purpose of negotiating or approving
13 economic and financial resources under this section shall not be subject to
14 public disclosure under the State’s public records law in 1 V.S.A. chapter 5,
15 but shall be available to the Joint Fiscal Office or its agent upon authorization
16 of the Chair of the Joint Fiscal Committee, and shall also be available to the
17 Auditor of Accounts in connection with the performance of duties under
18 32 V.S.A. § 163; provided, however, that the Joint Fiscal Office or its agent,
19 and the Auditor of Accounts, shall not disclose, directly or indirectly, to any
20 person any proprietary business or other confidential information or any

1 information which would identify a business except in accordance with a
2 judicial order or as otherwise specifically provided by law.

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

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

14 (1) the name of the recipient;

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

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

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

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

20 Sec. B.3. APPROPRIATION; VERMONT ENTERPRISE FUND

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

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

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

12 (d) In this section:

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

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

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

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

1 (B) had in the year preceding the investment annual gross sales of
2 \$3,000,000.00 or less; and

3 (C)(i) is a manufacturer;

4 (ii) is engaged in the development or application of advanced
5 technologies;

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

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

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

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

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

20 § 11002. MILLENNIAL ENTERPRISE ZONE TAX CREDIT

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

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

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

6 (b) Designation. The Secretary of Commerce and Community
7 Development shall have the authority to declare a millennial enterprise zone,
8 which may be a virtual space or geographical area, or both, where one or more
9 persons are investing human, intellectual, physical, or economic capital in
10 building a business in information technology or related fields, including
11 digital networks, robotics, and virtual worlds.

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

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

16 (2) pay gross wages and benefits to its employees that average at least
17 150 percent of the Vermont minimum wage.

18 (d) Tax credit.

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

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

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

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

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

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

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

17 (e) The Secretary of Commerce and Community Development shall have
18 the authority to adopt rules and procedures to implement the provisions of this
19 section.

20 § 11003. MOTION PICTURE PRODUCTION TAX CREDIT

21 (a) Definitions. In this section:

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

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

6 (B) “Motion picture” does not mean a television production featuring
7 news, current events, weather, financial market reports, sporting events, award
8 shows, productions solely for fundraising, long-form productions primarily to
9 market a product or service, or productions containing obscene material.

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

14 (4)(A) “Production expenditures” means preproduction, production, and
15 postproduction expenditures directly incurred in the production of a motion
16 picture.

17 (B) “Production expenditures” includes wages and salaries paid to
18 individuals employed in Vermont in the production of the motion picture, but
19 does not include wages or salaries in excess of \$1 million for any one
20 individual for one motion picture production; and the costs of the following
21 activities: set construction and operation, editing and related services,

1 photography, sound synchronization, lighting, wardrobe, make-up and
2 accessories; film processing, transfer, mixing, special and visual effects;
3 music; location fees and the cost of purchase or rental of facilities and
4 equipment; or any other production expense that may be determined by the
5 secretary to be an eligible production expense.

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

8 (5) “Secretary” means the Secretary of the Agency of Commerce and
9 Community Development.

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

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

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

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

6 (3) A credit against the income tax imposed under chapter 151 of this
7 title in the amount of 10 percent of production expenditures incurred in the
8 taxable year within the State directly related to a 100-percent animated
9 production or a production for game consoles with embedded online
10 capabilities, as certified by the Secretary.

11 (c) Certification and administration.

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

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

17 (3) A taxpayer applying for the credit certification shall reimburse the
18 Secretary for any audit the Secretary determines is required to certify the
19 credit.

20 (d) Notwithstanding any provision of this section to the contrary, the
21 Secretary shall not issue a credit certificate pursuant to this section unless he or

1 she determines that the production of a motion picture for which credit would
2 otherwise would be allowed yielded a net fiscal benefit to the State.

3 * * * Income Taxes * * *

4 * * * Research and Development Tax Credit * * *

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

6 (a) A taxpayer of this State shall be eligible for a credit against the tax
7 imposed under this chapter in an amount equal to ~~27~~ 30 percent of the amount
8 of the federal tax credit allowed in the taxable year for eligible research and
9 development expenditures under 26 U.S.C. § 41(a) and which are made within
10 this State.

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

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

16 * * * Sales and Use Tax * * *

17 * * * Airplane and Manufacturers' Exemption * * *

18 Sec. C.3. 32 V.S.A. § 9741 is amended to read:

19 § 9741. SALES NOT COVERED

1 nonproduction activities, or used prior to the first production operation or
2 subsequent to the initial packaging of a product, shall not be exempt from tax,
3 unless such uses are merely isolated or occasional or unless the machinery
4 used for initial packaging is also used for secondary packaging as part of an
5 integrated process. Machinery and equipment shall not include buildings and
6 structural components thereof. As used in this subdivision, it shall be
7 rebuttably presumed that uses are not isolated or occasional if they total more
8 than four percent of the time the machinery or equipment is operated. For the
9 purposes of this subsection, “manufacture” includes extraction of mineral
10 deposits, the entire printing and bookmaking process, and the entire
11 publication process.

12 * * *Sales tax holiday for energy efficient products * * *

13 **[Note: need dates for holiday. Note: can be effective 7/1/17]**

14 Sec. C.5. SALES AND USE TAX HOLIDAY

15 (a) Notwithstanding the provisions of 32 V.S.A. § 9771 and 24 V.S.A.
16 § 138, a sales and use tax or local option sales tax shall not be imposed or
17 collected on sales of energy star qualified products from [date to date].

18 (b) A vendor in good standing shall be entitled to claim reimbursement for
19 its expenditures for the reprogramming of cash registers and computer
20 equipment that were in use at the place of business on and after [date], for the
21 [date to date] sales tax holiday. Claims shall be filed with the Department of

1 Taxes within 60 days of the date of the sales tax holiday, with receipts or such
2 other documentation the Department may require. The amount of
3 reimbursement to each vendor shall not exceed the least of the three following
4 amounts:

5 (1) the actual cost to the vendor of reprogramming its cash registers and
6 computer equipment;

7 (2) \$50.00; or

8 (3) \$10,000.00 divided by the number of qualified vendor applicants.

9 (c) Any municipality with a local option sales tax affected by the sales tax
10 holiday imposed by this section shall be reimbursed from the Department of
11 Taxes for the amount of local option sales tax revenues lost to the
12 municipality. The Commissioner of Taxes shall develop a methodology for
13 determining such reimbursement. The Commissioner shall also adjust the
14 deposit in the PILOT special fund, as established in 32 V.S.A. § 3709, for lost
15 deposits due to sales tax holidays. Should the amount appropriated for these
16 purposes under subsection (d) of this section be insufficient to reimburse fully
17 the municipalities and adjust the PILOT special fund, reimbursements to
18 municipalities shall take priority.

19 (d) In fiscal year 2018, \$10,000.00 in general funds is appropriated for
20 payments for the reprogramming under subsection (b) of this section, and

1 \$100,000.00 in general funds is appropriated for the reimbursement to
2 municipalities and adjustments under subsection (c) of this section.

3 (e) Notwithstanding any contrary provision of Title 30 or of a rule or order
4 of the Public Service Board, the amount of the revenues foregone by the sales
5 and use tax holiday set forth this section shall be reimbursed by monies raised
6 pursuant to Title 30 to support the activities of each appointed efficiency utility
7 under 30 V.S.A. § 209(d)(2).

8 (1) Thirty-five percent of the reimbursement amount shall be deposited
9 into the Education Fund and sixty-five percent of the reimbursement amount
10 shall be deposited into the General Fund.

11 (2) Payment of the reimbursement amount shall be prorated among the
12 appointed efficiency utilities based on relative percentage of an overall
13 efficiency budget based on the sum of their expected efficiency expenditures
14 during the sales and use tax holiday. The obligation of an efficiency utility to
15 pay its prorated share of the reimbursement amount shall be considered a tax
16 liability under Title 32.

17 (f) Notwithstanding any contrary provision of 30 V.S.A. chapter 89, the
18 sales and use tax holiday in this section shall be considered an energy
19 transformation project within the meaning of 30 V.S.A. § 8002 and the
20 incremental fossil fuel reductions caused by the sales and use tax holiday, if
21 any, shall be credited toward the obligations of Vermont's retail electricity

1 providers as defined in 30 V.S.A. § 8002 under the energy transformation
2 category of the Renewable Energy Standard, also known as Tier 3, established
3 under 30 V.S.A. § 8005(a)(3). The amount of incremental fossil fuel
4 reductions and the allocation of these reductions among retail electricity
5 providers shall be performed according to a methodology determined by the
6 Public Service Board.

7 * * * Agricultural Use Value Program * * *

8 * * * Definitions * * *

9 Sec. C.6. 32 V.S.A. § 3752 is amended to read:

10 § 3752. DEFINITIONS

11 As used in this subchapter:

12 (1) “Agricultural land” means any land, exclusive of any housesite, in
13 active use to grow hay or cultivated crops, pasture livestock or to cultivate
14 trees bearing edible fruit or produce an annual maple product, and which is 25
15 acres or more in size except as provided in this subdivision (1). Agricultural
16 land includes buffer zones as defined and required in the rule addressing
17 required agricultural practices adopted by the Vermont Agency of Agriculture,
18 Food and Markets under its authority in Title 6, Chapter 215. There shall be a
19 presumption that the land is used for agricultural purposes if:

20 (A) it is owned by a farmer and is part of the overall farm unit; or

1 (B) it is used by a farmer as part of his or her farming operation under
2 written lease for at least three years; or

3 (C) it has produced an annual gross income from the sale of farm crops
4 in one of two, or three of the five, calendar years preceding of at least:

5 (i) \$2,000.00 for parcels of up to 25 acres; and

6 (ii) \$75.00 per acre for each acre over 25, with the total income
7 required not to exceed \$5,000.00.

8 (iii) Exceptions to these income requirements may be made in
9 cases of orchard lands planted to fruit producing trees, bushes, or vines which
10 are not yet of bearing age. As used in this section, the term “farm crops” also
11 includes animal fiber, cider, wine, and cheese produced on the enrolled land or
12 on a housesite adjoining the enrolled land from agricultural products grown on
13 the enrolled land.

14 * * *

15 (14) “Farm buildings” means all farm buildings and other farm
16 improvements which are actively used by a farmer as part of a farming
17 operation, are owned by a farmer or leased to a farmer under a written lease for
18 a term of three years or more, and are situated on land that is enrolled in a use
19 value appraisal program or on a housesite adjoining enrolled land. “Farm
20 buildings” shall include up to \$100,000.00 of the value of a farm facility
21 processing farm crops, a minimum of 75 percent of which are produced on the

1 farm and shall not include any dwelling other than a dwelling in use during the
2 ~~preceding tax year~~ prior 12 months exclusively to house one or more farm
3 employees, as defined in 9 V.S.A. § 4469a, and their families, as a
4 nonmonetary benefit of the farm employment. This subdivision shall not
5 affect the application of the definition of “farming” in 10 V.S.A. § 6001(22) or
6 the definition of “farm structure” in 24 V.S.A. § 4413(d)(1).

7 * * *

8 * * * Annual Agricultural Use Certification * * *

9 Sec. C.7. 32 V.S.A. § 3755(f) is amended to read:

10 (f) On or before ~~September~~ November 1 of each year, the owner of
11 agricultural land or buildings enrolled in the use value program as agricultural
12 land or buildings shall certify in writing under oath to the Commissioner that
13 the agricultural land or buildings enrolled by that owner continue to meet the
14 requirements for enrollment in the use value program at the time of the
15 certification. The form of the certification shall be made on a form specified
16 by the Director of Property Valuation and Review.

17 * * * Land Use; Economic Development Planning * * *

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

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

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* * *

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

* * *

(F) Evidence that civic and public buildings or publicly owned structures or facilities devoted to community use do exist, or will exist in the center, as shown by the capital improvement plan or the capital budget and program, and the official map.

* * *

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

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

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

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

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

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

8 Sec. D.3. 24 V.S.A. § 2788 is added to read:

9 § 2788. ENTERPRISE ZONES

10 (a) After consultation with the regional planning commission and the
11 planning commission of each affected municipality, a regional development
12 corporation may propose an enterprise zone consisting of a list of properties
13 contiguous or adjacent to each other to serve as locations for new or expanded
14 manufacturing.

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

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

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

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

8 (c) After providing the notice and opportunity required by subsection (b) of
9 this section, the regional development corporation may designate an enterprise
10 zone if it finds that each property included in the zone is a suitable and
11 commercially viable location on which to site manufacturing and will be
12 supported by transportation, water, wastewater, and other necessary
13 infrastructure in sufficient capacity to support manufacturing. The
14 corporation’s decision on the enterprise zone shall respond to each comment
15 received.

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

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

20 (2) The regional development corporation or municipality in which the
21 zone is located may apply for and receive a “master plan” permit or partial

1 findings, or both, for the zone under 10 V.S.A. chapter 151 and the rules
2 adopted under that chapter. If a master plan permit is issued, then subsequent
3 development within the zone shall require no further permits or permit
4 amendments under 10 V.S.A. chapter 151, notwithstanding any provision of
5 that chapter to the contrary.

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

7 (p) No permit or permit amendment is required for any change to a project
8 that is located entirely within a downtown development district designated
9 pursuant to 24 V.S.A. § 2793 or a growth center designated pursuant to
10 24 V.S.A. § 2793c, if the change consists exclusively of any combination of
11 mixed use and mixed income housing, and the cumulative changes within any
12 continuous period of five years, commencing on or after the effective date of
13 this subsection, remain below the jurisdictional threshold applicable to the
14 municipality specified in ~~subdivision 6001(3)(A)(iv)(I)~~ subdivisions
15 6001(3)(A)(I)(aa) through (ff) of this title. Notwithstanding any contrary
16 provision of this chapter, mixed use that is exempt under this subsection may
17 include small scale, low impact manufacturing.

18 **[need to reconcile subsection (p) and possibly others with housing bill?]**

19 * * * Act 250; Restoring Criterion 9(L) to “Rural Growth Areas” * * *

20 Sec. D.5. 10 V.S.A. § 6001 is amended to read:

21 § 6001. DEFINITIONS

1 ~~by highway, lack of connection to surrounding land uses except by highway,~~
2 ~~lack of coordination with surrounding land uses, and limited accessibility for~~
3 ~~pedestrians. In determining whether a proposed development or subdivision~~
4 ~~constitutes strip development, the District Commission shall consider the~~
5 ~~topographic constraints in the area in which the development or subdivision is~~
6 ~~to be located. [Repealed.]~~

7 * * *

8 Sec. D.6. 10 V.S.A. § 6086 is amended to read:

9 § 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

10 (a) Before granting a permit, the District Commission shall find that the
11 subdivision or development:

12 * * *

13 (9) Is in conformance with a duly adopted capability and development
14 plan, and land use plan when adopted. However, the legislative findings of
15 1973 Acts and Resolves No. 85 subdivisions 7(a)(1) through (19) ~~of Act 85 of~~
16 ~~1973~~ shall not be used as criteria in the consideration of applications by a
17 District Commission.

18 * * *

19 (L) ~~Settlement patterns. To promote Vermont's historic settlement~~
20 ~~pattern of compact village and urban centers separated by rural countryside, a~~
21 ~~permit will be granted for a development or subdivision outside an existing~~

1 settlement when it is demonstrated by the applicant that, in addition to all other
2 applicable criteria, the development or subdivision:

3 (i) will make efficient use of land, energy, roads, utilities, and
4 other supporting infrastructure; and

5 (ii)(I) will not contribute to a pattern of strip development along
6 public highways; or

7 (II) if the development or subdivision will be confined to an
8 area that already constitutes strip development, will incorporate infill as
9 defined in 24 V.S.A. § 2791 and is designed to reasonably minimize the
10 characteristics listed in the definition of strip development under subdivision
11 6001(36) of this title. Rural growth areas. A permit will be granted for the
12 development or subdivision of rural growth areas when it is demonstrated by
13 the applicant that in addition to all other applicable criteria, provision will be
14 made in accordance with subdivisions (A) (impact of growth), (G) (private
15 utility service), (H) (costs of scattered development), and (J) (public utility
16 services) of this subdivision (9) for reasonable population densities, reasonable
17 rates of growth, and the use of cluster planning and new community planning
18 designed to economize on the cost of roads, utilities, and land usage.

19 * * *

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

21 Withdrawal * * *

1 Sec. D.7. 10 V.S.A. § 6085 is amended to read:

2 § 6085. HEARINGS; PARTY STATUS

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

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

6 (A) the applicant;

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

8 (C) the municipality in which the project site is located, and the
9 municipal and regional planning commissions for that municipality; if the
10 project site is located on a boundary, any Vermont municipality adjacent to
11 that border and the municipal and regional planning commissions for that
12 municipality; and the solid waste management district in which the land is
13 located, if the development or subdivision constitutes a facility pursuant to
14 subdivision 6602(10) of this title;

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

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

19 * * *

20 (7) Prohibition; money demand. A person who is party under
21 subdivision (c)(1)(D) of this section to an application proceeding under this

1 chapter or an appeal from such a proceeding shall not offer to withdraw the
2 person's opposition or appeal in return for payment or other consideration
3 made to the person. Such an offer shall be a violation of this chapter and shall
4 disqualify the person from party status. An offer to sell a person's property
5 affected by a proposed development or subdivision for fair market value shall
6 be an exception to this prohibition.

7 * * * Section 248a telecommunications siting * * *

8 Sec. D.8. 30 V.S.A. § 248a is amended to read:

9 § 248a. CERTIFICATE OF PUBLIC GOOD FOR COMMUNICATIONS

10 FACILITIES

11 * * *

12 ~~(i) Sunset of Board authority. Effective on July 1, 2017, no new applications~~
13 ~~for certificates of public good under this section may be considered by the~~
14 ~~Board. [Repealed.]~~

15 * * *

16 * * * Water Quality; Brownfields * * *

17 Sec. E.1. 10 V.S.A. § 1389(d) is amended to read:

18 (d) Powers and duties of the Clean Water Fund Board. The Clean Water
19 Fund Board shall have the following powers and authority:

20 (1) The Clean Water Fund Board shall recommend to the Secretary of
21 Administration the appropriate allocation of funds from the Clean Water Fund

1 for the purposes of developing the State budget required to be submitted to the
2 General Assembly under 32 V.S.A. § 306. All recommendations from the
3 Board should be intended to achieve the greatest water quality gain for the
4 investment.

5 (2) The Clean Water Fund Board may pursue and accept grants, gifts,
6 donations, or other funding from any public or private source and may
7 administer such grants, gifts, donations, or funding consistent with the terms of
8 the grant, gift, or donation.

9 (3) The Clean Water Fund Board shall:

10 (A) establish a process by which watershed organizations, State
11 agencies, private developers, and other interested parties may propose water
12 quality projects or programs for financing from the Clean Water Fund;

13 (B) develop an annual revenue estimate and proposed budget for the
14 Clean Water Fund;

15 (C) establish measures for determining progress and effectiveness of
16 expenditures for clean water restoration efforts;

17 (D) issue the annual Clean Water Investment Report required under
18 section 1389a of this title; and

19 (E) solicit, consult with, and accept public comment from
20 organizations interested in improving water quality in Vermont regarding

1 recommendations under this subsection for the allocation of funds from the
2 Clean Water Fund.

3 Sec. E.2. BROWNFIELDS WORKING GROUP; REPORT

4 (a) Creation. The Secretary of Natural Resources shall establish a
5 Brownfields Working Group to review the State’s existing Brownfields Reuse
6 and Environmental Liability Limitation Program (BRELLA) to determine if
7 the program can be amended to increase program participation, provide
8 regulatory certainty, and accelerate Agency of Natural Resources review.

9 (b) Membership. The Brownfields Working Group shall be composed of
10 the following nine members:

11 (1) the Secretary of Natural Resources or designee;

12 (2) one property developer who has participated in the BRELLA
13 program, to be appointed by the Governor;

14 (3) one property developer with interest in participating in the BRELLA
15 program, to be appointed by the Committee on Committees;

16 (4) two professional engineers with experience in inspecting, assessing,
17 or remediating brownfield properties, to be appointed by the Speaker of the
18 House;

19 (5) one attorney with experience in commercial real estate transactions,
20 appointed by the Committee on Committees;

1 (6) one attorney with experience in hazardous materials law or litigation,
2 to be appointed by the Governor;

3 (7) one representative of an environmental organization, to be appointed
4 by the Speaker of the House; and

5 (8) one representative of a municipality in which a brownfield property
6 is located.

7 (c) Powers and duties. The Brownfields Working Group, shall:

8 (1) review the existing statutory and regulatory authority for the
9 BRELLA program under 10 V.S.A. chapter 159, subchapter 3;

10 (2) review federal statutes and rules applicable to or limiting the State
11 BRELLA program;

12 (3) review implementation of the BRELLA program by the Agency of
13 Natural Resources, including the application process, Agency review of
14 applications, Agency response times to applications, and effectiveness of
15 Agency review;

16 (4) review State funding of the BRELLA program, including whether
17 existing funding and staffing is adequate to meet existing and desired levels of
18 service and response times;

19 (5) review the financing or incentives available to prospective
20 purchasers of brownfield properties, including whether financing may be

1 available from existing State special funds, such as the Clean Water State

2 Revolving Loan Fund;

3 (6) review the restrictions on use and future conveyance of brownfield
4 property, including deed restrictions on brownfield properties; and

5 (7) develop recommended changes to the BRELLEA program, including
6 recommended legislative amendments and recommended changes to Agency
7 practice.

8 (d) Assistance. The Brownfields Working Group shall have the
9 administrative, technical, and legal assistance of the Agency of Natural
10 Resources.

11 (e) Report. On or before January 15, 2018, the Brownfields Working
12 Group shall submit a written report to the House Committees on Natural
13 Resources, Fish and Wildlife; on Commerce and Economic Development; and
14 on Appropriations and the Senate Committees on Natural Resources and
15 Energy; on Economic Development, Housing and General Affairs; and on
16 Appropriations with its findings and any recommendations for legislative
17 action.

18 (f) Meetings.

19 (1) The Secretary of Natural Resources shall call the first meeting of the
20 Brownfields Working Group to occur on or before July 15, 2017.

1 (2) The Secretary of Natural Resources or designee shall be the chair of
2 the Brownfields Working Group.

3 (3) A majority of the membership of the Brownfields Working Group
4 shall constitute a quorum.

5 (4) The Brownfields Working Group shall cease to exist on January 31,
6 2018.

7 (g) Reimbursement. Members of the Brownfields Working Group who are
8 not employees of the State of Vermont and who are not otherwise compensated
9 or reimbursed for their attendance shall be entitled to per diem compensation
10 and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for no more than
11 six meetings, payable by the Agency of Natural Resources.

12 (h) Definitions. The definitions in 10 V.S.A. § 6642 shall apply to
13 applicable terms used in this section.

14 * * * Business Promotion; Access to Capital;

15 Tourism and Marketing * * *

16 Sec. F.1. TOURISM AND MARKETING INITIATIVE

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

1 (1) to emphasize Vermont’s long history of innovation, including
2 agricultural, business, and technical innovation, product design, and
3 entrepreneurship; and

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

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

9 Sec. F.2. MEDIA PRODUCTION DATABASE

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

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

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

21 * * * Workforce Development * * *

1 **Sec. G.1. APPROPRIATION; VERMONT TRAINING PROGRAM**

2 (a) In fiscal year 2018 the amount of \$200,000 is appropriated from the
3 General Fund to the Secretary of Commerce and Community Development for
4 the Vermont Training Program.

5 (b) These funds shall be targeted to support training in the trades including,
6 but not limited to, electricians, carpenters, plumbers, pipefitters, welders,
7 heavy equipment operators, automotive service technicians, aviation
8 technicians, fuel/electrical systems technicians, tool and die makers, industrial
9 mechanics, precision metal fabricators, and horticulturalists.

10 (c) These funds shall be administered by the Vermont Training Program.

11 * * * Public Retirement * * *

12 Sec. H.1. THE SECURE RETIREMENT FOR ALL VERMONTERS PLAN

13 (a) Vermont shall adopt and implement the Multiple Employer Plan (MEP)
14 public retirement plan which shall be called the “Green Mountain Secure
15 Retirement Plan” plan and which shall:

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

17 (A) employers:

18 (i) with 50 employees or fewer; and

19 (ii) who do not currently offer a retirement plan to their

20 employees; and

21 (B) self-employed individuals;

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

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

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

7 (5) be overseen by a board which shall:

8 (A) set program terms;

9 (B) prepare and design plan documents; and

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

12 (b) Vermont shall implement the “Secure Retirement for All Vermonters”
13 plan on or before January 15, 2019, based on the recommendations of the
14 Public Retirement Plan Study Committee as set forth in Sec. 2 of this act.

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

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

17 ESTABLISHING A PUBLIC RETIREMENT PLAN

18 (a) Creation of Committee.

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

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

8 (b) Membership.

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

11 (A) the State Treasurer or designee;

12 (B) the Commissioner of Labor or designee;

13 (C) the Commissioner of Disabilities, Aging, and Independent Living
14 or designee;

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

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

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

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

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

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

15 (c) Powers and duties.

16 (1)(A) The Committee shall ~~study the feasibility of establishing a~~
17 develop specific recommendations concerning the design, creation, and
18 implementation time line of the Multiple Employer Plan (MEP) public
19 retirement plan, including the following pursuant to Sec. 1 of this act, which
20 shall:

1 (i) ~~the access Vermont residents currently have to~~
2 ~~employer-sponsored retirement plans and the types of employer-sponsored~~
3 ~~retirement plans;~~

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

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

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

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

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

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

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

21 (I) employers:

1 (aa) with 50 employees or fewer; and

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

4 (II) self-employed individuals;

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

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

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

11 (iii) be overseen by a board which shall:

12 (I) set programs terms;

13 (II) prepare and design plan documents; and

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

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

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

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

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

3 ~~(iv) whether such a plan should impose any obligation or liability~~
4 ~~upon private sector employers; The Committee shall also study and make~~
5 ~~specific recommendations concerning:~~

6 (i) options to provide access to retirement plans to individuals who
7 are not eligible to participate in, or choose not to participate in, the MEP public
8 retirement plan;

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

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

14 ~~(iv)~~ any other issue the Committee deems relevant.

15 (2) The Committee shall:

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

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

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

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

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

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

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

1 * * * Workers' Compensation; VOSHA * * *

2 Sec. I.1. 21 V.S.A. § 210 is amended to read:

3 § 210. PENALTIES

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

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

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

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

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

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

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

3 * * *

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

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

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

17 * * *

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

19 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

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

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

9 * * *

10 * * * Marketing; Vermont Brand * * *

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

12 § 2476. DEPARTMENT OF TOURISM AND MARKETING

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

16 (b) Tourism marketing. The Department shall be responsible for the
17 promotion of Vermont's travel, recreation, and cultural attractions through
18 advertising and other informational programs, and for provision of travel and
19 recreation information and services to visitors to the State, in coordination with
20 other agencies of State government, chambers of commerce and travel

1 associations, and the private sector in order to increase the benefits of tourism
2 marketing, including:

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

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

- 11 (1) attracting additional private investment in Vermont businesses;
12 (2) recruiting new businesses;
13 (3) attracting more innovators and entrepreneurs to locate in Vermont;
14 (4) attracting, recruiting, and growing the workforce to fill existing
15 vacancies in growing businesses; and
16 (5) promoting and supporting Vermont businesses, goods, and services.

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

20 (e) The Department may conduct direct marketing activities pursuant to this
21 chapter or 10 V.S.A. chapter 27, and shall work to increase marketing

1 activities conducted in partnership with one or more private sector partners to
2 maximize State marketing resources and to enable Vermont businesses to align
3 their own brand identities with the Vermont brand, enhancing the reputations
4 of both the business and the State.

5 (f) Building on established, successful collaboration with private partners in
6 travel and tourism, agriculture, and other industry sectors, the Department shall
7 have the authority to extend its marketing and promotional resources to include
8 partners in the arts and humanities, as well as other partners that depend on
9 tourism for a significant part of their annual revenue.

10 (g) The Department shall expand its outreach and information-gathering
11 procedures to allow Vermont businesses and other interested stakeholders to
12 comment on the design and implementation of its tourism marketing and
13 economic development marketing initiatives and also to provide ongoing
14 feedback to the Department on the effectiveness of its initiatives.

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

16 Sec. 205a. CHIEF MARKETING OFFICER

17 (a) The establishment of one (1) new exempt position - Chief Marketing
18 Officer - is authorized in fiscal year 2006. This position shall be transferred
19 and converted from existing vacant positions in the executive branch of state
20 government and shall be established within the office of the secretary of

1 commerce and community development, to be appointed by and report to the
2 secretary of the agency of commerce and community development.

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

7 ~~(1) Consolidate appropriate statewide marketing communications~~
8 ~~activities of the marketing and promotional (MAP) state agency partners, the~~
9 ~~department of tourism and marketing, the department of economic~~
10 ~~development, the agency of agriculture, food and markets, the division of~~
11 ~~historic preservation, the agency of transportation, the department of forests,~~
12 ~~parks and recreation, the department of fish and wildlife, and the information~~
13 ~~centers division.~~

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

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

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

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

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

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

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

19 Sec. J.3. 3 V.S.A. § 2477 is added to read:

20 § 2477. CHIEF MARKETING OFFICER

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

3 (b) The Chief Marketing Officer shall:

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

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

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

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

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

14 Sec. J.4. APPROPRIATION; AUTHORIZATION OF POSITIONS

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

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

19 (2) to fund the activities of the Chief Marketing Officer in crafting and
20 marketing the Vermont brand in targeted sectors to promote economic

1 development, including working lands, green technology, recreation, contract
2 manufacturing, and food systems.

3 * * * Organization and Orientation of State Government for Economic
4 Development * * *

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

6 § 2471. DEPARTMENT OF ECONOMIC DEVELOPMENT

7 (a) The Department of Economic Development is created within the
8 Agency of Commerce and Community Development as the successor to and
9 the continuation of the Department of Development.

10 (b) The Department shall promote economic development throughout the
11 State:

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

14 (A) facilitating access to government contracting through the
15 [Government Marketing Assistance Center under section 2471b of this title]

16 [Procurement Technical Assistance Center;

17 (B) providing assistance with international trade;

18 (C) providing assistance with technology transfer; and

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

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

8 (c) The Department shall collaborate with the Department of Housing and
9 Community Development to promote public and private investment in, and the
10 development of workforce housing within, downtowns and village centers to
11 attract young entrepreneurs and workers to revitalize rural communities.

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

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

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

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

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

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

6 (2) to improve and target career and technical education in these growth
7 sectors.

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

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

13 Sec. J.9. 10 V.S.A. § 540 is amended to read:

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

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

20 (1) Perform the following duties in consultation with the State
21 Workforce Development Board:

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

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

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

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

12 (E) ensure coordination and non-duplication of workforce education
13 and training activities;

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

16 (G) design and implement criteria and performance measures for
17 workforce education and training activities; and

18 (H) establish goals for the integrated workforce education and training
19 system.

20 (2) Require from each business, training provider, or program that
21 receives State funding to conduct workforce education and training a report

1 that evaluates the results of the training. Each recipient shall submit its report
2 on a schedule determined by the Commissioner and shall include at least the
3 following information:

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

5 (B) amount of funding;

6 (C) activities and training provided;

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

8 (E) employment status of trainees; and

9 (F) future needs for resources.

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

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

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

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

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

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

9 Sec. J.10. 10 V.S.A. § 543 is amended to read:

10 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT
11 PROGRAMS

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

15 (b) Purposes. The Department shall use the Fund for the following
16 purposes:

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

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

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

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

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

10 (d) Eligible activities.

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

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

18 (B) employ student-oriented approaches to workforce education and
19 training; and

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

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

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

7 (e) Repealed].

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

11 (1) Training Programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

11 * * * Opportunity Economy; Microbusiness Development; Individual
12 Development Accounts; Job Training * * *

13 **Sec. K.1. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS;**

14 **APPROPRIATION**

15 (a) Findings. The General Assembly finds:

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

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

1 (3) Each year the Program:

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

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

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

6 (4) The average cost per job created through the Program is less than
7 \$3,600.00.

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

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

16 **Sec. K.2. INDIVIDUAL DEVELOPMENT SAVINGS PROGRAM;**

17 **FINDINGS; APPROPRIATION**

18 (a) Findings. The General Assembly finds:

19 (1) The Individual Development Savings Program in the Agency of
20 Human Services offers a matched savings and financial education program that

1 helps Vermonters with low income invest in their future by enabling them to
2 build financial assets.

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

6 (3) Since its inception in 1997:

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

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

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

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

17 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
18 appropriated, the amount of \$114,700.00 is appropriated from the General
19 Fund to the Individual Development Matching Grant Special Fund to provide
20 matching funds through the Individual Development Savings Program
21 pursuant to 33 V.S.A. § 1123.

1 **Sec. K.3. WORKFORCE DEVELOPMENT AND TRAINING; FINDINGS;**

2 **APPROPRIATION**

3 (a) Findings. The General Assembly finds:

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

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

8 (B) build career competencies, including:

9 (i) job seeking skills;

10 (ii) computer literacy;

11 (iii) problem solving and decision making;

12 (iv) interpersonal communication;

13 (v) personal qualities; and

14 (vi) customer service.

15 (2) Specific examples of training programs include:

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

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

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

1 (D) transportation assistance to individuals to enable them to prepare
2 for and attain employment; and

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

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

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

16 **Sec. K.4. FINANCIAL EDUCATION, COACHING, AND CREDIT**

17 **BUILDING SERVICES; FINDINGS; APPROPRIATION**

18 (a) Findings. The General Assembly finds:

19 (1) To overcome barriers to financial security, “Financial Capability”
20 education and coaching services empower people to stabilize their finances, set

1 goals and work to achieve them, and sustain successful financial behaviors
2 over time.

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

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

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

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

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

18 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
19 appropriated, the amount of \$200,000.00 is appropriated from the General
20 Fund to the Agency of Human Services for pass through grants to the

1 Community Action Agencies to provide financial education, coaching, and
2 credit building services to Vermonters with low income.

3 **Sec. K.5. VERMONT MATCHED SAVINGS ACCOUNT**

4 **PROGRAM; APPROPRIATION**

5 (a) Findings. The General Assembly finds:

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

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

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

19 (4) Building on the model of the Individual Development Savings
20 Program, Vermonters with low income would benefit from a Vermont
21 Matched Savings Account Program that would provide financial education and

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

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

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

13 **Sec. K.6. 33 V.S.A. § 1124 is added to read:**

14 § 1124. VERMONT MATCHED SAVINGS ACCOUNT PROGRAM

15 (a) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

7 (A) who resides in this State;

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

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

11 (i) to receive public assistance;

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

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

16 (D) whose net worth as of the calendar year preceding the
17 determination of eligibility does not exceed \$10,000.00, excluding the primary
18 dwelling unit, one motor vehicle owned by members of the saver’s family in a
19 one-parent family or two motor vehicles owned by members of the saver’s
20 family in a two-parent family, and the tools of the saver’s trade that do not

1 exceed \$10,000.00 in value and that are necessary to continue or seek
2 employment.

3 (12) “Service provider” means a nonprofit organization approved by the
4 Agency that encourages and assists local community-based human service
5 development, and that is an organization described in Section 501(c)(3) of the
6 U.S. Internal Revenue Code which is exempt from taxation under Section
7 501(a) of the Code.

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

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

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

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

17 (C) The plan shall limit the maximum amount of savings that is the
18 basis for receipt of matching funds to not more than \$500.00 per saver per
19 calendar year and \$1,000.00 per family per calendar year, and to not more than
20 \$2,000.00 per lifetime of the saver and \$4,000.00 per lifetime of members of a
21 family.

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

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

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

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

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

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

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

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

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

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

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

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

13 (8) The Agency shall establish by rule any other standards and
14 procedures necessary or desirable to implement the Program, including
15 minimum requirements for approval of savings plans, criteria for training and
16 counseling, reporting requirements for participating financial institutions, and
17 matching fund allocation standards.

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

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

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

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

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

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

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

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

20 Sec. K.7. VOLUNTEER INCOME TAX ASSISTANCE PROGRAM;

21 APPROPRIATION

1 (a) Findings. The General Assembly finds:

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

4 (2) In fiscal year 2016, the Vermont Community Action Agencies
5 completed 3,536 federal returns and 3,544 State returns, and provided
6 assistance with the Vermont Renter’s Rebate application and Homestead
7 Declaration.

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

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

13 (b) Intent. It is the intent of the General Assembly to provide \$100,000.00
14 in State funding to the Volunteer Income Tax Assistance Program to leverage
15 \$51,540.00 in federal funding in order to sustain and expand access to the
16 Program for Vermonters with low income.

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

1 Sec. X. EFFECTIVE DATE

2 This act shall take effect on July 1, 2017, except, notwithstanding 1 V.S.A.
3 § 214, Sec. C.2 (research and development tax credit) shall apply retroactively
4 to January 1, 2017 and apply to any claim for credit filed after that date.

5

6 - Administration: Development Cabinet; SBDC \$; TIF language?

7 - Coordinate with Housing bill – include ED bill provisions in housing bill, or
8 housing bill provisions in ED bill? – which version of priority housing project
9 language?

10