

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 implement
7 multiple strategies in diverse subject areas to promote economic development.

8 An act relating to promoting economic development

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

10 * * * Vermont Employment Growth Incentive Program * * *

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

12 Chapter 105: Vermont Employment Growth Incentive Program

13 * * *

14 § 3332. APPLICATION; APPROVAL CRITERIA

15 (a) Application.

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

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

1 (A) specify a payroll performance requirement;

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

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

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

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

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

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

17 (4) If the business proposes to expand within a limited local market, an
18 incentive would not give the business an unfair competitive advantage over
19 other Vermont businesses in the same or similar line of business and in the
20 same limited local market.

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

1 (A) would not occur; or

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

4 * * *

5 § 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING
6 LABOR MARKET AREA

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

9 (1) the average annual unemployment rate is greater than the average
10 annual unemployment rate for the State; or

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

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

15 (1) \$1,500,000.00 for one or more initial approvals; and

16 (2) \$1,000,000.00 for one or more final approvals.

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

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

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

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

11 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL
12 TECHNOLOGY BUSINESS

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

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

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

20 (A) waste management, including waste collection, treatment,
21 disposal, reduction, recycling, and remediation;

1 (B) natural resource protection and management, including water and
2 wastewater purification and treatment, air pollution control and prevention or
3 remediation, soil and groundwater protection or remediation, and hazardous
4 waste control or remediation;

5 (C) energy efficiency or conservation;

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

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

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

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

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

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

18 (C) subtract the product from the payroll performance requirement for
19 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 In fiscal year 2018 the amount of \$XX,000.00 is appropriated from the
2 General Fund to the Vermont Enterprise Fund created in 10 V.S.A. § 12.

3 * * * Tax Credits * * *

4 Sec. C.1. 32 V.S.A. chapter 245 is added to read:

5 CHAPTER 245: TAX CREDITS

6 § 11001. ANGEL INVESTOR TAX CREDIT

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

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

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

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

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

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 reimbursement to each vendor shall not exceed the least of the three following
2 amounts:

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

5 (2) \$50.00; or

6 (3) \$10,000.00 divided by the number of qualified vendor applicants.

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

17 (d) In fiscal year 2018, \$10,000.00 in general funds is appropriated for
18 payments for the reprogramming under subsection (b) of this section, and
19 \$100,000.00 in general funds is appropriated for the reimbursement to
20 municipalities and adjustments under subsection (c) of this section.

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

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

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

15 (f) Notwithstanding any contrary provision of 30 V.S.A. chapter 89, the
16 sales and use tax holiday in this section shall be considered an energy
17 transformation project within the meaning of 30 V.S.A. § 8002 and the
18 incremental fossil fuel reductions caused by the sales and use tax holiday, if
19 any, shall be credited toward the obligations of Vermont’s retail electricity
20 providers as defined in 30 V.S.A. § 8002 under the energy transformation
21 category of the Renewable Energy Standard, also known as Tier 3, established

1 under 30 V.S.A. § 8005(a)(3). The amount of incremental fossil fuel
2 reductions and the allocation of these reductions among retail electricity
3 providers shall be performed according to a methodology determined by the
4 Public Service Board.

5 * * * Agricultural Use Value Program * * *

6 * * * Definitions * * *

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

8 § 3752. DEFINITIONS

9 As used in this subchapter:

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

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

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

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

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

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

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

12 * * *

13 (14) “Farm buildings” means all farm buildings and other farm
14 improvements which are actively used by a farmer as part of a farming
15 operation, are owned by a farmer or leased to a farmer under a written lease for
16 a term of three years or more, and are situated on land that is enrolled in a use
17 value appraisal program or on a housesite adjoining enrolled land. “Farm
18 buildings” shall include up to \$100,000.00 of the value of a farm facility
19 processing farm crops, a minimum of 75 percent of which are produced on the
20 farm and shall not include any dwelling other than a dwelling in use during the
21 ~~preceding tax year~~ prior 12 months exclusively to house one or more farm

1 employees, as defined in 9 V.S.A. § 4469a, and their families, as a
2 nonmonetary benefit of the farm employment. This subdivision shall not
3 affect the application of the definition of “farming” in 10 V.S.A. § 6001(22) or
4 the definition of “farm structure” in 24 V.S.A. § 4413(d)(1).

5 * * *

6 * * * Annual Agricultural Use Certification * * *

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

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

15 * * * Land Use; Economic Development Planning * * *

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

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

20 * * *

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 BRELLA 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 * * * Workforce Development * * *

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

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

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

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

20 * * * Public Retirement * * *

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

- 1 (a) Vermont shall adopt and implement the Multiple Employer Plan (MEP)
2 public retirement plan which shall be called the “Green Mountain Secure
3 Retirement Plan” plan and which shall:
- 4 (1) be available on a voluntary basis to:
- 5 (A) employers:
- 6 (i) with 50 employees or fewer; and
7 (ii) who do not currently offer a retirement plan to their
8 employees; and
- 9 (B) self-employed individuals;
- 10 (2) automatically enroll all employees of employers who choose to
11 participate in the MEP;
- 12 (3) allow employees the option of withdrawing their enrollment and
13 ending their participation in the MEP;
- 14 (4) be funded by employee contributions with an option for future
15 voluntary employer contributions; and
- 16 (5) be overseen by a board which shall:
- 17 (A) set program terms;
18 (B) prepare and design plan documents; and
19 (C) be authorized to appoint an administrator to assist in the selection
20 of investments, managers, custodians, and other support services.

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

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

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

7 (a) Creation of Committee.

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

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

17 (b) Membership.

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

20 (A) the State Treasurer or designee;

21 (B) the Commissioner of Labor or designee;

1 (C) the Commissioner of Disabilities, Aging, and Independent Living
2 or designee;

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

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

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

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

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

17 (2) Unless another appointee is specified pursuant to the authority
18 granted under subdivision (1) of this subsection, the members of the Public
19 Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179,
20 Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which

1 ceased to exist on January 15, 2016, shall serve as the members of the
2 Committee created pursuant to this section.

3 (c) Powers and duties.

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

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

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

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

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

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

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

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

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

9 (I) employers:

10 (aa) with 50 employees or fewer; and

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

13 (II) self-employed individuals;

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

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

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

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

21 (I) set programs terms;

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

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

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

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

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

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

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

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

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

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

4 (2) The Committee shall:

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

8 (B) further analyze the relationship between the role of states and the
9 federal government; and

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

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

15 (d) Report. On or before January 15, 2018, the Committee shall report to
16 the General Assembly its findings and ~~any~~ recommendations ~~for legislative~~
17 ~~action~~. In its report, the Committee shall state its findings as to every factor set
18 forth in ~~subdivision~~ subdivisions (c)(1)(A) ~~of this section, whether it~~
19 ~~recommends that a public retirement plan be created, and the reasons for that~~
20 ~~recommendation. If the Committee recommends that a public retirement plan~~

1 ~~be created, the Committee's report shall include specific recommendations as~~
2 ~~to the factors listed in subdivision and (c)(1)(B) of this section.~~

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

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

11 * * * Workers' Compensation; VOSHA * * *

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

13 § 210. PENALTIES

14 (a) Upon issuance of a citation under this chapter, the Review Board is
15 authorized to assess civil penalties for grounds provided in this subsection. In
16 assessing civil penalties, the Review Board shall follow to the degree
17 practicable the federal procedures prescribed in rules promulgated under the
18 Act. The Review Board shall give due consideration to the appropriateness of
19 the penalty with respect to the size of the business or operation of the employer
20 being assessed, the gravity of the violation, the good faith of the employer, and
21 the history of previous violations. Civil penalties shall be paid to the

1 Commissioner for deposit with the State Treasurer, and may be recovered in a
2 civil action in the name of the State of Vermont brought in any court of
3 competent jurisdiction. The Commissioner shall not reduce the assessed
4 penalties in any fiscal year by more than 50 percent.

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

10 (2) Any employer who has received a citation for a serious violation of
11 the requirements of this Code, or any standard, or rule adopted, or order
12 ~~promulgated~~ issued pursuant to this Code, ~~or of any regulations prescribed~~
13 ~~pursuant to this Code~~, shall be assessed a civil penalty of up to ~~\$7,000.00~~
14 \$12,675.00 for each violation.

15 (3) Any employer who has received a citation for a violation of the
16 requirements of this Code, or any standard, or rule adopted, or order
17 ~~promulgated~~ issued pursuant to this Code ~~or of regulations prescribed pursuant~~
18 ~~to this Code, and such violation~~ if the violation is specifically determined not
19 to be of a serious nature, may be assessed a civil penalty of up to ~~\$7,000.00~~
20 \$12,675.00 for each such violation.

1 Department of Labor or successor agency for the 12 months preceding the
2 previous December 1.

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

6 * * *

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

8 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

9 (a) A Workers' Compensation Administration Fund is created pursuant to
10 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the
11 administration of the workers' compensation and occupational disease
12 programs. The Fund shall consist of contributions from employers made at a
13 rate of ~~4.75~~ 1.4 percent of the direct calendar year premium for workers'
14 compensation insurance, one percent of self-insured workers' compensation
15 losses, and one percent of workers' compensation losses of corporations
16 approved under this chapter. Disbursements from the Fund shall be on
17 warrants drawn by the Commissioner of Finance and Management in
18 anticipation of receipts authorized by this section.

19 * * *

20 * * * Marketing; Vermont Brand * * *

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

1 § 2476. DEPARTMENT OF TOURISM AND MARKETING

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

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

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

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

- 20 (1) attracting additional private investment in Vermont businesses;
- 21 (2) recruiting new businesses;

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

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

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

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

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

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

19 (g) The Department shall expand its outreach and information-gathering
20 procedures to allow Vermont businesses and other interested stakeholders to
21 comment on the design and implementation of its tourism marketing and

1 economic development marketing initiatives and also to provide ongoing
2 feedback to the Department on the effectiveness of its initiatives.

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

4 Sec. 205a. CHIEF MARKETING OFFICER

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

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

15 ~~(1) Consolidate appropriate statewide marketing communications~~
16 ~~activities of the marketing and promotional (MAP) state agency partners, the~~
17 ~~department of tourism and marketing, the department of economic~~
18 ~~development, the agency of agriculture, food and markets, the division of~~
19 ~~historic preservation, the agency of transportation, the department of forests,~~
20 ~~parks and recreation, the department of fish and wildlife, and the information~~
21 ~~centers division.~~

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

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

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

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

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

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

3 ~~—(e) The CMO and the secretary of commerce and community development~~
4 ~~shall make recommendations to redirect state resources from administration~~
5 ~~and overhead in MAP agencies to marketing and promotional activities.~~

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

7 § 2477. CHIEF MARKETING OFFICER

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

10 (b) The Chief Marketing Officer shall:

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

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

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

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

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

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

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

4 (B) providing assistance with international trade;

5 (C) providing assistance with technology transfer; and

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

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

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

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

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

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

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

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

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

12 * * * Business Support; Investment * * *

13 Sec. J.6. APPROPRIATION; SMALL BUSINESS DEVELOPMENT
14 CENTER

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

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

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

21 Sec. J.7. APPROPRIATION; WORKING LANDS ENTERPRISE FUND

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

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

6 Sec. J.8. WORKFORCE NEEDS AND CTE ASSESSMENT

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

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

12 (2) to improve and target career and technical education in these growth
13 sectors.

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

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

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

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

21 LEADER

1 (a) The Commissioner of Labor shall be the leader of workforce ~~education~~
2 ~~and training~~ development in the State, and shall have the authority and
3 responsibility for the coordination of workforce education and training within
4 State government, including the following duties:

5 (1) Perform the following duties in consultation with the State
6 Workforce Development Board:

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

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

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

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

18 (E) ensure coordination and non-duplication of workforce education
19 and training activities;

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

1 (G) design and implement criteria and performance measures for
2 workforce education and training activities; and

3 (H) establish goals for the integrated workforce education and training
4 system.

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

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

11 (B) amount of funding;

12 (C) activities and training provided;

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

14 (E) employment status of trainees; and

15 (F) future needs for resources.

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

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

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

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

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

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

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

15 § 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT
16 PROGRAMS

17 (a) Creation. There is created a Workforce Education and Training Fund in
18 the Department of Labor to be managed in accordance with 32 V.S.A. chapter
19 7, subchapter 5.

20 (b) Purposes. The Department shall use the Fund for the following
21 purposes:

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

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

5 (3) apprenticeship, preapprenticeship, and industry-recognized credential
6 training; and

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

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

14 (d) Eligible activities.

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

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

1 (B) employ student-oriented approaches to workforce education and
2 training; and

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

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

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

10 (e) Repealed].

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

14 (1) Training Programs.

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

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

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

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

7 (iv) articulate the need for the training and the direct connection
8 between the training and the job.

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

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

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

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

1 (iv) in the discretion of the Commissioner, otherwise serve the
2 purposes of this chapter.

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

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

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

13 * * * Opportunity Economy; Microbusiness Development; Individual
14 Development Accounts; Job Training * * *

15 Sec. K.1. MICROBUSINESS DEVELOPMENT PROGRAM; FINDINGS;

16 APPROPRIATION

17 (a) Findings. The General Assembly finds:

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

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

4 (3) Each year the Program:

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

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

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

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

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

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

19 Sec. K.2. INDIVIDUAL DEVELOPMENT SAVINGS PROGRAM;

20 FINDINGS; APPROPRIATION

21 (a) Findings. The General Assembly finds:

1 (1) The Individual Development Savings Program in the Agency of
2 Human Services offers a matched savings and financial education program that
3 helps Vermonters with low income invest in their future by enabling them to
4 build financial assets.

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

8 (3) Since its inception in 1997:

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

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

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

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

19 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
20 appropriated, the amount of \$114,700.00 is appropriated from the General
21 Fund to the Individual Development Matching Grant Special Fund to provide

1 matching funds through the Individual Development Savings Program
2 pursuant to 33 V.S.A. § 1123.

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

4 **APPROPRIATION**

5 (a) Findings. The General Assembly finds:

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

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

10 (B) build career competencies, including:

11 (i) job seeking skills;

12 (ii) computer literacy;

13 (iii) problem solving and decision making;

14 (iv) interpersonal communication;

15 (v) personal qualities; and

16 (vi) customer service.

17 (2) Specific examples of training programs include:

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

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

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

3 (D) transportation assistance to individuals to enable them to prepare
4 for and attain employment; and

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

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

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

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

19 **BUILDING SERVICES; FINDINGS; APPROPRIATION**

20 (a) Findings. The General Assembly finds:

1 (1) To overcome barriers to financial security, “Financial Capability”
2 education and coaching services empower people to stabilize their finances, set
3 goals and work to achieve them, and sustain successful financial behaviors
4 over time.

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

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

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

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

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

20 (c) Appropriation. In fiscal year 2018, in addition to any other amounts
21 appropriated, the amount of \$200,000.00 is appropriated from the General

1 Fund to the Agency of Human Services for pass through grants to the
2 Community Action Agencies to provide financial education, coaching, and
3 credit building services to Vermonters with low income.

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

5 **PROGRAM; APPROPRIATION**

6 (a) Findings. The General Assembly finds:

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

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

16 (3) An independent evaluation of individual development accounts in
17 Massachusetts found that every dollar of state funding resulted in savers
18 accumulating \$64.32 in assets, and local government collected an additional
19 \$0.43 in property taxes.

20 (4) Building on the model of the Individual Development Savings
21 Program, Vermonters with low income would benefit from a Vermont

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

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

10 (c) Appropriation. In fiscal year 2018 the amount of \$150,000.00 is
11 appropriated from the General Fund to the Agency of Human Services to
12 create a Vermont Matched Savings Account Program pursuant to 33 V.S.A.
13 § 1124.

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

15 § 1124. VERMONT MATCHED SAVINGS ACCOUNT PROGRAM

16 (a) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

12 (A) who resides in this State;

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

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

16 (i) to receive public assistance;

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

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

1 (D) whose net worth as of the calendar year preceding the
2 determination of eligibility does not exceed \$10,000.00, excluding the primary
3 dwelling unit, one motor vehicle owned by members of the saver’s family in a
4 one-parent family or two motor vehicles owned by members of the saver’s
5 family in a two-parent family, and the tools of the saver’s trade that do not
6 exceed \$10,000.00 in value and that are necessary to continue or seek
7 employment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (8) The Agency shall establish by rule any other standards and
19 procedures necessary or desirable to implement the Program, including
20 minimum requirements for approval of savings plans, criteria for training and

1 counseling, reporting requirements for participating financial institutions, and
2 matching fund allocation standards.

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

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

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

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

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

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

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

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

5 **Sec. K.7. VOLUNTEER INCOME TAX ASSISTANCE PROGRAM;**

6 **APPROPRIATION**

7 (a) Findings. The General Assembly finds:

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

10 (2) In fiscal year 2016, the Vermont Community Action Agencies
11 completed 3,536 federal returns and 3,544 State returns, and provided
12 assistance with the Vermont Renter's Rebate application and Homestead
13 Declaration.

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

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

19 (b) Intent. It is the intent of the General Assembly to provide \$100,000.00
20 in State funding to the Volunteer Income Tax Assistance Program to leverage

1 \$51,540.00 in federal funding in order to sustain and expand access to the
2 Program for Vermonters with low income.

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

8 * * * Climate Economy Business Accelerator * * *

9 **Sec. L.1. FINDINGS AND PURPOSE**

10 (a) Findings. The General Assembly finds:

11 (1) Vermont needs to attract and support entrepreneurs, youth, and
12 investors to reinvigorate its economy, today and for the future.

13 (2) Vermont has a tremendous opportunity to systematically advance
14 economic activity that addresses the challenge of climate change by reducing
15 and mitigating carbon impacts, while spurring innovation and creativity,
16 encouraging entrepreneurship, attracting youth, and building jobs for the future.

17 (3) The Vermont Sustainable Jobs Fund, the Vermont Council on Rural
18 Development, and a working group of business, finance, and economic
19 development leaders, are developing the Climate Economy Business
20 Accelerator to grow entrepreneurial opportunities and provide a network for

1 businesses to promote their solutions, products, and services that can lead to
2 collaboration and innovation.

3 (4) The Accelerator aims to accelerate the creation and growth of
4 entrepreneurs that commercialize business solutions to address the negative
5 impacts of climate change and position our State as the place to come and
6 build businesses that export solutions for a changing climate worldwide.

7 (5) The Accelerator selects a cohort of typically early stage businesses
8 to participate together in a time limited series of trainings, mentorships, and
9 investment opportunities. The Accelerator exposes promising businesses and
10 technologies to the lessons learned by successful entrepreneurs and investors.
11 It helps early stage businesses clarify the market for their product, evaluate the
12 needs of their management team, define their business model, and articulate
13 their unique value, all with the intention of making them more attractive to the
14 investment capital they need.

15 (6) The climate economy, defined as the work being done by businesses
16 whose products and services aim to reduce, mitigate, or prepare for the
17 negative impacts of climate change on human systems, includes clean energy
18 development and distribution, thermal and electrical efficiencies in buildings
19 and building construction, evolving public and private transportation systems,
20 energy and efficiency innovations in the working lands economy, the

1 recycling, reuse and renewal of resources, and resilience technologies such as
2 soil-sensing devices.

3 (7) An entrepreneurial network working with the Accelerator will
4 connect with the business community to spark collaboration and stimulate
5 growth, while the Accelerator serves as a catalyst to offer comprehensive
6 technical services, peer support, and financing tools to entrepreneurs to attract
7 them to Vermont as a national nucleus of climate economy leadership and
8 innovation.

9 (8) A State investment of \$300,000.00 of seed funding will leverage an
10 additional \$200,000.00 in private and philanthropic investment in order to
11 carry out this work and boost economic development, innovation, and job
12 creation in the State.

13 (b) Purpose. The purpose of this act is to provide funding necessary to
14 most effectively implement the Climate Economy Business Accelerator to
15 grow climate economy entrepreneurial and start-up enterprises.

16 **Sec. L.2. APPROPRIATION**

17 In fiscal year 2018, the amount of \$300,000.00 is appropriated from the
18 General Fund to the Vermont Sustainable Jobs Fund for the purpose of
19 leveraging additional private and philanthropic funding, which the Vermont
20 Sustainable Jobs Fund shall use to implement the Climate Economy Business
21 Accelerator.

* * * Vermont Minimum Wage * * *

Sec. M.1. 21 V.S.A. § 384 is amended to read:

§ 384. EMPLOYMENT; WAGES

(a)(1) An employer shall not employ any employee at a rate of less than ~~\$9.15. Beginning January 1, 2016, an employer shall not employ any employee at a rate of less than \$9.60. Beginning January 1, 2017, an employer shall not employ any employee at a rate of less than \$10.00. Beginning on January 1, 2018, an employer shall not employ any employee at a rate of less than \$10.50, and beginning~~ Beginning on January 1, 2019, an employer shall not employ any employee at a rate of less than \$11.50. Beginning on January 1, 2020, an employer shall not employ any employee at a rate of less than \$12.50. Beginning on January 1, 2021, an employer shall not employ any employee at a rate of less than \$13.50. Beginning on January 1, 2022, an employer shall not employ any employee at a rate of less than \$15.00, and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller, but in no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest \$0.01.

1 (b) Development Cabinet.

2 (1)(A) ~~A~~ The Development Cabinet is created, to consist of the
3 Secretaries of ~~the Agencies of~~ Administration, of Agriculture, Food and
4 Markets, of Commerce and Community Development, of Education, of
5 Natural Resources, and of Transportation.

6 (B) The Governor or the Governor’s designee shall chair the
7 Development Cabinet.

8 (2) The Development Cabinet shall advise the Governor on how best to
9 implement the purposes of this section, and shall recommend changes as
10 appropriate to improve implementation of those purposes.

11 (3)(A) The Development Cabinet may establish interagency work
12 groups to support its mission, drawing membership from any agency or
13 department of State government.

14 (B) Any interagency work groups established under this subsection
15 (b) shall evaluate, test the feasibility of, and suggest alternatives to economic
16 development proposals, including proposals for public-private partnerships,
17 submitted to them for consideration.

18 (C) The Development Cabinet shall refer to appropriate interagency
19 workgroups any economic development proposal that has a significant impact
20 on the inventory or use of State land or buildings.

1 (4) The Development Cabinet shall:

2 (A) review State loan, grant, and other incentive programs to explore
3 whether and how the expenditure of State funds through incentive programs
4 can cross-promote relevant State policies, including the adoption of renewable
5 energy, public access to conserved lands, and water quality improvements;

6 (B) recommend to the Governor and the General Assembly areas for
7 improvement, program changes, conditions on incentives, and other strategies
8 to ensure cross-promotion of relevant State policies through incentive
9 programs; and

10 (C) on or before December 15 of each even-numbered year, submit a
11 report to the Governor and the General Assembly on the implementation of its
12 recommendations and the effectiveness of efforts to cross-promote incentive
13 programs and State policies.

14 (c) Implementation. All State agencies that have programs or take actions
15 affecting land use, including those identified under ~~3-V.S.A.~~ chapter 67 of this
16 title, shall, through or in conjunction with the members of the Development
17 Cabinet:

18 (1) Support conservation of working lands and open spaces.

19 (2) Strengthen agricultural and forest product economies, and encourage
20 the diversification of these industries.

1 (3) Develop and implement plans to educate the public by encouraging
2 discussion at the local level about the impacts of poorly designed growth, and
3 support local efforts to enhance and encourage development and economic
4 growth in the State’s existing towns and villages.

5 (4) Administer tax credits, loans, and grants for water, sewer, housing,
6 schools, transportation, and other community or industrial infrastructure, in a
7 manner consistent with the purposes of this section.

8 (5) To the extent possible, endeavor to make the expenditure of State
9 appropriations consistent with the purposes of this section.

10 (6) Encourage development in, and work to revitalize, land and
11 buildings in existing village and urban centers, including “brownfields,”
12 housing stock, and vacant or underutilized development zones. Each agency is
13 to set meaningful and quantifiable benchmarks.

14 (7) Encourage communities to approve settlement patterns based on
15 maintaining the State’s compact villages, open spaces, working landscapes,
16 and rural countryside.

17 (8) Encourage relatively intensive residential development close to
18 resources such as schools, shops, and community centers and make
19 infrastructure investments to support this pattern.

20 (9) Support recreational opportunities that build on Vermont’s
21 outstanding natural resources, and encourage public access for activities such

1 as boating, hiking, fishing, skiing, hunting, and snowmobiling. ~~Support~~ and
2 support and work collaboratively to make possible sound development and
3 well-planned growth in existing recreational infrastructure.

4 (10) Provide means and opportunity for downtown housing for mixed
5 social and income groups in each community.

6 (11) [Repealed.]

7 (12) Encourage timely and efficient processing of permit applications
8 affecting land use, ~~including~~ pursuant to 10 V.S.A. chapter 151 and the
9 subdivision regulations adopted under 18 V.S.A. § 1218, in order to encourage
10 the development of affordable housing and small business expansion, while
11 protecting Vermont's natural resources.

12 (13) Participate in creating a long-term economic development plan,
13 including making available the members of any agency or department of State
14 government as necessary and appropriate to support the mission of an
15 interagency work group established under subsection (b) of this section.

16 (d) Interagency work group.

17 (1) Pursuant to the recommendations of the Oversight Panel on
18 Economic Development created in 2010 Acts and Resolves No. 146, Sec. G6,
19 the Development Cabinet shall create an interagency work group as provided
20 in subsection (b) of this section with the Secretary of Commerce and
21 Community Development serving as its chair.

1 (2) The mission of the work group shall be to develop a long-term
2 economic development plan for the State, which shall identify goals and
3 recommend actions to be taken over 10 years, and which shall be consistent
4 with the four principles of economic development identified in 10 V.S.A. § 3
5 and the relevant population-level outcomes for economic development set forth
6 in ~~3 V.S.A. §~~ section 2311 of this title.

7 (e) Long-term economic development plan. (1) On or before January 15,
8 2014, and every two years thereafter, the Development Cabinet or its work
9 group shall complete a long-term economic development plan as required
10 under subsection (d) of this section and recommend it to the Governor.

11 (2) Commencing with the plan due on or before January 15, 2016, the
12 Development Cabinet or its work group may elect only to prepare and
13 recommend to the Governor an update of the long-term economic development
14 plan.

15 (3) Administrative support for the economic development planning
16 efforts of the Development Cabinet or its work group shall be provided by the
17 Agency of Commerce and Community Development.

18 (f) Limitations. This Cabinet is strictly an ~~information-gathering~~
19 information-gathering and coordinating cabinet and confers no additional
20 enforcement powers.

21

1 **Sec. N.2. 10 V.S.A. chapter 1 is amended to read:**

2 **Chapter 1: Economic Development**

3 **§ 3. ECONOMIC DEVELOPMENT; PRINCIPLES; REVIEW AND**
4 **ASSESSMENT**

5 (a) For purposes of the Vermont Statutes Annotated and State economic
6 development programs and assistance, "economic development" means the
7 process of generating economic wealth and vitality, security, and opportunity
8 for all Vermonters.

9 (b) There are established the following four interrelated principles for future
10 economic development in Vermont:

11 (1) Vermont's businesses, educators, nongovernmental organizations,
12 and government form a collaborative partnership that results in a highly skilled
13 multigenerational workforce to support and enhance business vitality and
14 individual prosperity.

15 (2) Vermont invests in its digital, physical, and human infrastructure as
16 the foundation for all economic development.

17 (3) Vermont State government takes advantage of its small scale to
18 create nimble, efficient, and effective policies and regulations that support
19 business growth and the economic prosperity of all Vermonters.

1 (4) Vermont leverages its brand and scale to encourage a diverse
2 economy that reflects and capitalizes on our rural character, entrepreneurial
3 people, and reputation for environmental quality.

4 (c) The four principles shall be used to guide the design and implementation
5 of each economic development program, policy, or initiative that is sponsored
6 or financially supported by the State, its subdivisions, agencies, authorities, or
7 private partners.

8 * * *

9 **§ 7. ECONOMIC DEVELOPMENT; ASSISTANCE AND INCENTIVES**

10 **BENCHMARK REPORTS**

11 (a) For purposes of this section, "economic development assistance
12 recipient" means any business entity, including a for-profit corporation, a
13 nonprofit corporation, a partnership, or a sole proprietorship that receives
14 economic development assistance from state funds administered by a
15 governmental agency, from state funds administered by a private entity, or
16 from federal funds administered by the state, whether such assistance is in the
17 form of a grant, a loan, a state tax abatement, a tax credit, a tax increment
18 financing program, or such other form of economic development assistance or
19 incentive as the secretary of commerce and community development may
20 identify by rule.

1 (b) Each economic development recipient shall state, on a form approved by
2 the agency granting assistance, or awarding a tax credit or abatement, or
3 approving any other form of economic development assistance, the number of
4 new jobs that will be created or existing jobs that will be retained as a result of
5 such assistance, the wages and employee benefits associated with such jobs,
6 and a description of any other public benefits associated with such economic
7 development assistance. Such statement shall be made prior to any such grant,
8 award, or approval. Such statements and the information contained therein
9 shall not be available for public inspection until 90 days after the granting of
10 assistance, or the awarding of a tax credit or abatement, or the approving any
11 other form of economic development assistance or incentive. After the
12 expiration of such 90 day period such statements and information shall not be
13 considered confidential, and may be inspected and copied pursuant to
14 subchapter 3, chapter 5 of Title 1 (public records law), notwithstanding the
15 provisions of any other law.

16 (c) Each economic development recipient shall report annually, in a manner
17 and on a form prescribed by the commissioner of economic development, the
18 amount or monetary value of economic assistance or incentive granted,
19 awarded or approved, and such information as is necessary to determine
20 whether the recipient has reached its job creation or other public benefit goals
21 stated pursuant to subsection (b) of this section.

1 (d) The commissioner of economic development shall adopt such rules as
2 are necessary to carry out the purposes of this section.

3 * * * Advanced, Emerging, and Renewable Energy Technologies * * *

4 **O.1. VERMONT MANUFACTURING EXTENSION CENTER;**

5 **APPROPRIATION**

6 In fiscal year 2018 the amount of \$XXX,000.00 is appropriated from the
7 General Fund to the Vermont Manufacturing Extension Center to provide
8 training that enhances critical skills, productivity, innovation, quality, or
9 competitiveness, including training in Innovation Engineering, “Lean”
10 systems, and ISO certification to promote growth of advanced technology,
11 renewable technology, and emerging technology businesses and facilitate their
12 expansion into new markets.

13 **O.2. VERMONT ENTREPRENEURIAL LENDING PROGRAM;**

14 **APPROPRIATION**

15 In fiscal year 2018 the amount of \$XXX,000.00 is appropriated from the
16 General Fund to the Vermont Entrepreneurial Lending Program to enable the
17 Vermont Economic Development Authority additional lending capacity to
18 promote growth of advanced technology, renewable technology, and emerging
19 technology businesses and facilitate their expansion into new markets.

20 **Sec. O.3. 10 V.S.A. § 280BB is amended to read:**

21 § 280BB. VERMONT ENTREPRENEURIAL LENDING PROGRAM

1 (a) There is created the Vermont Entrepreneurial Lending Program to be
2 administered by the Vermont Economic Development Authority. The Program
3 shall seek to meet the working capital and capital-asset financing needs of
4 Vermont-based businesses in seed, start-up, and growth stages. The Program
5 shall specifically seek to fulfill capital requirement needs that are unmet in
6 Vermont, including:

7 (1) loans to manufacturing businesses and software developers with
8 innovative products that typically reflect long-term, organic growth;

9 (2) loans up to \$1,000,000.00 in growth-stage companies that do not
10 meet the underwriting criteria of other public and private entrepreneurial
11 financing sources;

12 (3) loans to businesses that are unable to access adequate capital
13 resources because the primary assets of these businesses are typically
14 intellectual property or similar nontangible assets; and

15 (4) loans to advanced manufacturers and other Vermont businesses for
16 product development and intellectual property design.

17 (b) The Authority shall adopt regulations, policies, and procedures for the
18 Program as are necessary to increase the amount of investment funds available
19 to Vermont businesses whose capital requirements are not being met by
20 conventional lending sources.

1 (c) When considering entrepreneurial lending through the Program, the
2 Authority shall give additional consideration and weight to an application of a
3 business whose business model and practices will have a demonstrable effect
4 in achieving other public policy goals of the State, including:

5 (1) The business will create jobs in strategic sectors such as the
6 knowledge-based economy, renewable energy, advanced manufacturing, wood
7 products manufacturing, and value-added agricultural processing.

8 (2) The business is located in a designated downtown, village center,
9 growth center, industrial park, or other significant geographic location
10 recognized by the State.

11 (3) The business adopts energy and thermal efficiency practices in its
12 operations or otherwise operates in a way that reflects a commitment to green
13 energy principles.

14 (4) The business will create jobs that pay a livable wage and significant
15 benefits to Vermont employees.

16 (5) The business will create environmental benefits or will manufacture
17 environmentally responsible products.

18 (d) The Authority shall include provisions in the terms of a loan made under
19 the Program to ensure that a loan recipient shall maintain operations within the
20 State for a minimum of five years from the date on which the recipient receives

1 the loan funds from the Authority or shall otherwise be required to repay the
2 outstanding funds in full.

3 **Sec. O.4. VERMONT CENTER FOR EMERGING TECHNOLOGIES;**

4 **APPROPRIATION**

5 In fiscal year 2018 the amount of \$XXX,000.00 is appropriated from the
6 General Fund to the Entrepreneurs' Seed Capital Fund to provide additional
7 funding through the Vermont Center for Emerging Technologies to promote
8 growth of advanced technology, renewable technology, and emerging
9 technology businesses and facilitate their expansion into new markets.

10 **Sec. O.5. 10 V.S.A. § 291 is amended to read:**

11 **§ 291. ENTREPRENEURS' SEED CAPITAL FUND; AUTHORIZATION;**

12 **LIMITATIONS**

13 (a) The Vermont Economic Development Authority shall cause to be
14 formed a private investment equity fund to be named "the Entrepreneurs' Seed
15 Capital Fund" or "the Fund" for the purpose of increasing the amount of
16 investment capital provided to new Vermont firms or to existing Vermont
17 firms for the purpose of expansion. The Authority may contract with one or
18 more persons for the operation of the Fund as Fund manager. Such contract
19 shall contain the terms and conditions pursuant to which the Fund shall be
20 managed to meet the Fund's objective of providing seed capital to Vermont
21 firms. The terms of the contract shall require that, if the Fund manager does

1 not meet the investment criteria specified in the contract, the Fund manager
2 may not be awarded the performance fee.

3 (b) The Fund shall be formed as a limited partnership pursuant to Title 11
4 and shall be subject to all the following:

5 (1) The Fund shall not invest in any firm in which any interest in that
6 firm is held by an investor of the Fund or by the spouse, children, or other
7 relative of the investor.

8 (2) The Fund shall invest at least 40 percent of its total capital in initial
9 investment in firms which had in the 12 months preceding the date of the
10 funding commitment annual gross sales of less than \$1,000,000.00 and may
11 reserve the remainder of its capital for follow-on investments in these
12 businesses, as appropriate.

13 (3) Before the Fund makes any investments, the Fund shall have and
14 maintain a board of five advisors who shall be appointed as follows: two shall
15 be appointed by the Authority, two shall be appointed by the Fund manager,
16 and one shall be appointed jointly by the authority and the Fund manager. The
17 board of advisors shall represent solely the economic interest of the State with
18 respect to the management of the Fund and shall have no civil liability for the
19 financial performance of the Fund. The board of advisors shall be advised of
20 investments made by the Fund and shall have access to all information held by
21 the fund with respect to investments made by the Fund.

1 (4) The Fund, within 120 days after the close of each fiscal year of its
2 operations, shall issue a report that includes an audited financial statement
3 certified by an independent certified public accountant. The report also shall
4 include a compilation of the firm data required by subsection (d) of this
5 section. These data shall be reported in a manner that does not disclose
6 competitive or proprietary information, as determined by the Authority. This
7 report shall be distributed to the Governor and the Senate Committee on
8 Economic Development, Housing and General Affairs and the House
9 Committee on Commerce and Economic Development and made available to
10 the public. The report shall include a discussion of the Fund's impact on the
11 Vermont economy and employment.

12 (5) The Fund shall not make distributions of more than 75 percent of its
13 net profit to its investors during its first five years of operation.

14 (6) No person shall be allocated more than 20 percent of the available tax
15 credits. For the purposes of determining allocation, the attribution rules of
16 Section 318 of the Internal Revenue Code in effect as of the effective date of
17 this chapter shall apply.

18 (7) The capitalization of the Fund is not limited under this section;
19 however, only the first \$7,150,000.00 raised from Vermont taxpayers on or
20 before January 1, 2020, shall be eligible for partial tax credits as specified in
21 32 V.S.A. § 5830b.

1 (8) All investments and related business dealings using funds that qualify
2 for partial tax credits under 32 V.S.A. § 5830b shall be subject to the following
3 restrictions:

4 (A) The investments shall be restricted to Vermont firms, which for
5 the purposes of this chapter means that their Vermont apportionment equals or
6 exceeds 50 percent, using the apportionment rules under 32 V.S.A. § 5833, and
7 they maintain headquarters and a principal facility in Vermont. Any funds
8 invested in Vermont firms shall be used for the purpose of enhancing their
9 Vermont operations. Investment shall be restricted to firms that export the
10 majority of their products and services outside the State or add substantial
11 value to products and materials within the State. In its investments, the Fund
12 shall give priority to new firms and existing firms that are developing new
13 products, and shall take into consideration any impact on in-state competition
14 and also whether the investment will encourage economic activity that would
15 not occur but for the Fund investment.

16 (B) Each Fund investment in any one firm, in any 12-month period
17 shall be limited to a maximum of ten percent of the Fund's capitalization and,
18 for the life of the Fund, to a maximum of 20 percent of the Fund's total
19 capitalization.

20 (C) At least two-thirds of the monies invested by the Fund and
21 qualifying for a tax credit under 32 V.S.A. § 5830b shall at all times be

1 invested in the form of equity or convertible securities unless the Fund
2 manager determines it is reasonable and necessary to pursue temporarily the
3 generally accepted business practice of earning interest on working funds
4 deposited in relatively secure accounts such as savings and money market
5 funds.

6 (c) Any firm receiving monies from the Fund must report to the Fund
7 manager the following information regarding its activities in the State over the
8 calendar year in which the investment occurred:

9 (1) The total amount of private investment received.

10 (2) The total number of persons employed as of December 31.

11 (3) The total number of jobs created and retained, which also shall
12 indicate for each job the corresponding job classification, hourly wage and
13 benefits, and whether it is part-time or full-time.

14 (4) Total annual payroll.

15 (5) Total sales revenue.

16 (d) The Authority, in consultation with the Fund manager, shall establish
17 reasonable standards and procedures for evaluating potential recipients of Fund
18 monies. The Authority shall make available to the general public a report of all
19 firms that receive Fund investments and also indicate the date of the
20 investment, the amount of the investment, and a description of the firm's
21 intended use of the investment. This report shall be updated at least quarterly.

1 (e) Information and materials submitted by a business receiving monies
2 from the Fund shall be available to the Auditor of Accounts in connection with
3 the performance of duties under 32 V.S.A. § 163; provided, however, that the
4 Auditor of Accounts shall not disclose, directly or indirectly, to any person any
5 proprietary business information.

6 ***VEGI enhancement for technology businesses?***

7 * * * Vermont ABLE Savings Program * * *

8 Sec. P.1. 33 V.S.A. chapter 80 is amended to read:

9 Chapter 80: Vermont Achieving a Better Life Experience (ABLE) Savings

10 Program

11 * * *

12 § 8005. ABLE Advisory Board

13 The Treasurer shall have the authority to convene a Vermont ABLE
14 Advisory Board, to include representatives of the Department of Disabilities,
15 Aging and Independent Living, the Vermont Developmental Disabilities
16 Council, Vermont Center for Independent Living; Green Mountain Self-
17 Advocates, and other stakeholders with relevant expertise, to provide guidance
18 on the administration of the Vermont ABLE Savings Program, including:

19 (1) promotion and marketing of the Program;

20 (2) rules governing operation of ABLE accounts, including mechanisms
21 for consumer convenience;

- 1 (3) fees charged to account owners;
2 (4) future enhancements to protect from the loss of State benefits as may
3 be necessary to fulfill the intent of the ABLE Act; and
4 (5) a progress update on implementation of the Program consistent with
5 U.S. Treasury Department Rules, the Internal Revenue Code, and the federal
6 ABLE Act (P.L. 113-295 of 2014).

7

8 Sec. X. EFFECTIVE DATE

9 This act shall take effect on July 1, 2017, except, notwithstanding 1 V.S.A.
10 § 214, Sec. C.2 (research and development tax credit) shall apply retroactively
11 to January 1, 2017 and apply to any claim for credit filed after that date.

12

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

14 - Coordinate with Housing bill – include housing bill provisions in ED bill? –

15 which version of priority housing project language?