

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~~ Except for information required to be reported under  
2        section 3340 of this title or as provided in this section, information and  
3        materials submitted by a business concerning its income taxes and other  
4        confidential financial information to the Vermont Economic Progress Council,  
5        or business-specific data generated by the Council as part of its consideration  
6        of an application under this subchapter, that is not otherwise publicly  
7        disclosed, shall not be subject to public disclosure under the State's public  
8        records law in 1 V.S.A. chapter 5, but shall be is exempt from public  
9        inspection and copying under the Public Records Act and shall be kept  
10       confidential. Records related to incentive claims under this chapter that are  
11       produced or acquired by the Department of Taxes are confidential returns or  
12       return information and are subject to the provisions of section 3102 of this title.

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

15                (A) to the Joint Fiscal Office or its agent upon authorization of the  
16       Joint Fiscal Committee or a standing committee of the General Assembly, and  
17       shall also be available; and

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

20                (2) The Joint Fiscal Office or its agent and the Auditor of Accounts shall  
21       not disclose, directly or indirectly, to any person any proprietary business

1 information ~~or any information that would identify a business~~ or materials  
2 received under this subsection ~~except in accordance with a judicial order or as~~  
3 ~~otherwise specifically provided~~ unless authorized by law.

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

8 \* \* \*

9 ~~§ 3343. VERMONT EMPLOYMENT GROWTH INCENTIVE~~

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

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

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

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

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

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

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

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

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

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

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





1 ~~claimed and is reasonably necessary for the Council to perform its duties under~~  
2 ~~that subchapter.~~

3 \* \* \*

4 \* \* \* Vermont Enterprise Fund \* \* \*

5 B.1-B.3. [Reserved.]

6 \* \* \* Tax Credits; Angel Investor; Millennial Enterprise Zone; Motion Picture

7 Production \* \* \*

8 Sec. C.1. [Reserved.]

9 \* \* \* Income Taxes \* \* \*

10 \* \* \* Research and Development Tax Credit \* \* \*

11 Sec. C.2. [Reserved.]

12 \* \* \* Sales and Use Tax \* \* \*

13 \* \* \* Airplane and Manufacturers' Exemption \* \* \*

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

15 § 9741. SALES NOT COVERED

16 Retail sales and use of the following shall be exempt from the tax on retail  
17 sales imposed under section 9771 of this title and the use tax imposed under  
18 section 9773 of this title.

19 \* \* \*

20 (29) Aircraft sold to a person which holds itself out to the general public  
21 as engaging in air commerce, for use primarily in the carriage of persons or

1 ~~property for compensation or hire~~; and parts, machinery, and equipment to be  
2 installed in any aircraft.

3 \* \* \*

4 **Sec. C.4. REPEALS**

5 The following are repealed:

6 (1) 2007 Acts and Resolve No. 81, Secs. 7a (amendment to sales tax  
7 exemption for aircraft parts) and 7b (effective date).

8 (2) 2008 Acts and Resolve No. 190, Sec. 43 (effective date).

9 \* \* \*Sales tax holiday for energy efficient products \* \* \*

10 **Sec. C.5. SALES AND USE TAX HOLIDAY**

11 (a) Notwithstanding the provisions of 32 V.S.A. § 9771 and 24 V.S.A.  
12 § 138, a sales and use tax or local option sales tax shall not be imposed or  
13 collected on sales of energy star qualified products on August 25, 26, and 27,  
14 2017.

15 (b) A vendor in good standing shall be entitled to claim reimbursement for  
16 its expenditures for the reprogramming of cash registers and computer  
17 equipment that were in use at the place of business on and after August 27,  
18 2017 for the sales tax holiday. Claims shall be filed with the Department of  
19 Taxes within 60 days of the date of the sales tax holiday, with receipts or such  
20 other documentation the Department may require. The amount of

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-C.7. [Reserved.]

8 \* \* \* Tax Holiday for Hybrids and Electric Vehicles \* \* \*

9 **Sec. C.8. PURCHASE AND USE TAX HOLIDAY FOR HYBRIDS AND**

10 **ELECTRIC VEHICLES**

11 (a) As used in this section:

12 (1) “Dealer” means a dealer as defined in 23 V.S.A. § 4.

13 (2) “Electric Efficiency Fund” means the Fund established in 30 V.S.A.  
14 § 209(d)(3).

15 (3) “Electric vehicle” means electric-powered pleasure cars, as defined  
16 in 23 V.S.A. § 4, to include gas/electric hybrids, diesel/electric hybrids, and all  
17 electric vehicles.

18 (4) “Energy efficiency utility” means an energy efficiency utility  
19 appointed under 30 V.S.A. § 209(d).

20 (5) “Tax holiday” means the period from September 1, 2017 to  
21 September 17, 2017.

1        (b) Notwithstanding 32 V.S.A. § 8903, electric vehicles shall be exempt  
2        from the purchase and use tax if the vehicle was purchased during the tax  
3        holiday.

4        (c) Each dealer shall report the taxable cost of each electric vehicle sold  
5        during the tax holiday to the Department of Motor Vehicles.

6        (d) On or before October 31, 2017, the Department of Motor Vehicles shall  
7        calculate the forgone tax of six percent and provide that figure to the  
8        Departments of Finance and Management and of Public Service.

9        (e) Notwithstanding any contrary provision of 30 V.S.A. § 209(d), on or  
10       before November 30, 2017, the Department of Finance and Management shall  
11       transfer the amount of the forgone tax revenue from the Electric Efficiency  
12       Fund to the Department of Motor Vehicles such that the State is made whole  
13       from the loss of tax revenue during the tax holiday.

14       (f) Notwithstanding any contrary provision of 30 V.S.A. § 209(d), on or  
15       before November 30, 2017, the Department of Public Service shall calculate  
16       the pro rata share of forgone tax revenue billed to each energy efficiency utility  
17       using a percentage share of annual total kWh and ccf usage, converted to Btus,  
18       within each energy efficiency utility's service territory; account for this  
19       amount in the Electric Efficiency Fund; and inform each energy efficiency  
20       utility of this amount.



1 located, if the development or subdivision constitutes a facility pursuant to  
2 subdivision 6602(10) of this title;

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

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

7 \* \* \*

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

17 Sec. D.8. [Reserved.]

18 \* \* \*

19 \* \* \* Water Quality; Brownfields \* \* \*

20 Sec. E.1-E.2. [Reserved.]

1                                   \* \* \* Business Promotion; Access to Capital;

2                                   Tourism and Marketing \* \* \*

3       Sec. F.1. [Reserved.]

4                                   \* \* \* Workforce Development \* \* \*

5       Sec. G.1. [Reserved.]

6                                   \* \* \* Public Retirement \* \* \*

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

8           (a) Vermont shall adopt and implement the Multiple Employer Plan (MEP)

9       public retirement plan which shall be called the “Green Mountain Secure

10       Retirement Plan” plan and which shall:

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

12                   (A) employers:

13                           (i) with 50 employees or fewer; and

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

15       employees; and

16                   (B) self-employed individuals;

17           (2) automatically enroll all employees of employers who choose to

18       participate in the MEP;

19           (3) allow employees the option of withdrawing their enrollment and

20       ending their participation in the MEP;

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

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

4                   (A) set program terms;

5                   (B) prepare and design plan documents; and

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

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

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

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

13                                   ESTABLISHING A PUBLIC RETIREMENT PLAN

14                   (a) Creation of Committee.

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

17                           (2) It is the intent of the General Assembly that the Committee continue  
18           the work of the Public Retirement Plan Study Committee created in 2014 Acts  
19           and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves  
20           No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop  
21           specific recommendations concerning the design, creation, and implementation

1 of the Multiple Employer Plan (MEP) pursuant to in Sec. 1 of this act and as  
2 set forth in the January 6, 2017 report issued by the Committee.

3 (b) Membership.

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

6 (A) the State Treasurer or designee;

7 (B) the Commissioner of Labor or designee;

8 (C) the Commissioner of Disabilities, Aging, and Independent Living  
9 or designee;

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

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

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

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



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

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

10 (c) Powers and duties.

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

16 (i) ~~the access Vermont residents currently have to~~  
17 ~~employer-sponsored retirement plans and the types of employer-sponsored~~  
18 ~~retirement plans;~~

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

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

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

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

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

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

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

16                                ~~(I) employers:~~

17                                       ~~(aa) with 50 employees or fewer; and~~

18                                       ~~(bb) who do not currently offer a retirement plan to their~~  
19                   ~~employees; and~~

20                                ~~(II) self-employed individuals;~~

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

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

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

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

8                    (I) set programs terms;

9                    (II) prepare and design plan documents; and

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

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

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

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

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

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

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

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

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

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

13           (2) The Committee shall:

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

17           (B) further analyze the relationship between the role of states and the  
18 federal government; and

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

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

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

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

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

20                           \* \* \* Workers' Compensation; VOSHA \* \* \*

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

1 § 210. PENALTIES

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

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

19 (2) Any employer who has received a citation for a serious violation of  
20 the requirements of this Code, or any standard; or rule adopted, or order  
21 ~~promulgated~~ issued pursuant to this Code, ~~or of any regulations prescribed~~

1 ~~pursuant to this Code~~, shall be assessed a civil penalty of up to ~~\$7,000.00~~  
2 \$12,675.00 for each violation.

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

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

16 (5) Any employer who willfully violates any standard; or rule adopted,  
17 or order ~~promulgated~~ issued pursuant to this Code, and that violation caused  
18 death to any employee, shall, upon conviction, be punished by a fine of not  
19 more than ~~\$20,000.00~~ \$126,749.00 or by imprisonment for not more than one  
20 year, or by both.

21 \* \* \*





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

6 \* \* \*

7 \* \* \* Marketing; Vermont Brand \* \* \*

8 Sec. J.1-J.5 [Reserved.]

9 \* \* \* Business Support; Investment \* \* \*

10 Sec. J.6. APPROPRIATION; SMALL BUSINESS DEVELOPMENT  
11 CENTER

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

14 (1) the amount of \$250,000.00 for the purpose of increasing the number  
15 of business advisors throughout the State; and

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

18 \* \* \* Appropriation; Working Lands \* \* \*

19 Sec. J.7. [Reserved.]

20 \* \* \* Workforce Development; Career and Technical Education \* \* \*

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

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

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

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

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

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

13       \* \* \* Commissioner of Labor; Workforce Development Strategy \* \* \*

14       Sec. J.9. [Reserved.]

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

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

18       (a) Creation. There is created a Workforce Education and Training Fund in  
19       the Department of Labor to be managed in accordance with 32 V.S.A. chapter  
20       7, subchapter 5.

1 (b) Purposes. The Department shall use the Fund for the following  
2 purposes:

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

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

7 (3) apprenticeship, preapprenticeship, and industry-recognized credential  
8 training; and

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

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

16 (d) Eligible activities.

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

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

4           (B) employ student-oriented approaches to workforce education and  
5           training; and

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

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

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

13          (e) Repealed].

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

17               (1) Training Programs.

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

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

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

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

11 (iv) articulate the need for the training and the direct connection  
12 between the training and the job.

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

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

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

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

5 (iv) in the discretion of the Commissioner, otherwise serve the  
6 purposes of this chapter.

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

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

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

17 \* \* \* Opportunity Economy; Microbusiness Development; Individual

18 Development Accounts; Job Training \* \* \*

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

20 APPROPRIATION

21 (a) Findings. The General Assembly finds:

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

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

7           (3) Each year the Program:

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

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

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

12           (4) The average cost per job created through the Program is less than  
13           \$3,600.00.

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

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

1 Sec. K.2-K.7 [Reserved.]

2 \* \* \* Climate Economy Business Accelerator \* \* \*

3 Sec. L.1. FINDINGS AND PURPOSE

4 (a) Findings. The General Assembly finds:

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

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

11 (3) The Vermont Sustainable Jobs Fund, the Vermont Council on Rural  
12 Development, and a working group of business, finance, and economic  
13 development leaders, are developing the Climate Economy Business  
14 Accelerator to grow entrepreneurial opportunities and provide a network for  
15 businesses to promote their solutions, products, and services that can lead to  
16 collaboration and innovation.

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



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

9           (6) The climate economy, defined as the work being done by businesses  
10           whose products and services aim to reduce, mitigate, or prepare for the  
11           negative impacts of climate change on human systems, includes clean energy  
12           development and distribution, thermal and electrical efficiencies in buildings  
13           and building construction, evolving public and private transportation systems,  
14           energy and efficiency innovations in the working lands economy, the  
15           recycling, reuse and renewal of resources, and resilience technologies such as  
16           soil-sensing devices.

17           (7) An entrepreneurial network working with the Accelerator will  
18           connect with the business community to spark collaboration and stimulate  
19           growth, while the Accelerator serves as a catalyst to offer comprehensive  
20           technical services, peer support, and financing tools to entrepreneurs to attract

1 them to Vermont as a national nucleus of climate economy leadership and  
2 innovation.

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

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

10 Sec. L.2. APPROPRIATION

11 In fiscal year 2018, the amount of \$150,000.00 is appropriated from the  
12 General Fund to the Vermont Sustainable Jobs Fund for the purpose of  
13 leveraging additional private and philanthropic funding, which the Vermont  
14 Sustainable Jobs Fund shall use to implement the Climate Economy Business  
15 Accelerator.

16 \* \* \* Vermont Minimum Wage \* \* \*

17 Sec. M.1. [Reserved.]

18 **Sec. M.2. MINIMUM WAGE STUDY**

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

20 (b) Membership. The Committee shall be composed of the following  
21 members:

1           (1) two current members of the House of Representatives, not all from  
2           the same political party, who shall be appointed by the Speaker of the House;

3           (2) two current members of the Senate, not all from the same political  
4           party, who shall be appointed by the Committee on Committees;

5           (3) one member from the organized labor community appointed by the  
6           Governor;

7           (4) one member from the business community appointed by the  
8           Governor; and

9           (5) the Commissioner of Labor, who shall serve as chair.

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

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

13           (2) the economic effects of small to large increases in the Vermont  
14           minimum wage;

15           (3) the potential for improving economic prosperity for Vermonters with  
16           low and middle income through the Vermont Earned Income Tax Credit; and

17           (4) specific means of mitigating the “benefits cliff.”

18          (d) Assistance. The Committee shall have the administrative, technical,  
19          and legal assistance of the Department of Labor and the Agency of Commerce  
20          and Community Development.

1       (e) Report. On or before December 1, 2017, the Committee shall submit a  
2       written report to the General Assembly and the Governor with its findings and  
3       any recommendations for legislative action.

4       (f) Meetings.

5           (1) The Commissioner of Labor shall call the first meeting of the  
6       Committee to occur on or before August 1, 2017.

7           (2) A majority of the membership shall constitute a quorum.

8           (3) The Committee shall cease to exist on December 1, 2017.

9       (g) Reimbursement.

10           (1) For attendance at meetings during adjournment of the General  
11       Assembly, legislative members of the Committee shall be entitled to per diem  
12       compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for  
13       no more than five meetings.

14           (2) Other members of the Committee who are not employees of the State  
15       of Vermont and who are not otherwise compensated or reimbursed for their  
16       attendance shall be entitled to per diem compensation and reimbursement of  
17       expenses pursuant to 32 V.S.A. § 1010 for no more than five meetings.

18       \* \* \* Economic Development Planning; Development Cabinet \* \* \*

19       Sec. N.1. 3 V.S.A. § 2293 is amended to read:

20       § 2293. DEVELOPMENT CABINET

1 (a) Legislative purpose. The General Assembly deems it prudent to  
2 establish a permanent and formal mechanism to ~~assure~~ ensure collaboration  
3 and consultation among State agencies and departments, in order to support  
4 and encourage Vermont's economic development, while at the same time  
5 conserving and promoting Vermont's traditional settlement patterns, its  
6 working and rural landscape, its strong communities, and its healthy  
7 environment, all in a manner set forth in this section.

8 (b) Development Cabinet.

9 (1)(A) ~~A~~ The Development Cabinet is created, to consist of the  
10 Secretaries of ~~the Agencies of~~ Administration, of Agriculture, Food and  
11 Markets, of Commerce and Community Development, of Education, of  
12 Natural Resources, and of Transportation.

13 (B) The Governor or the Governor's designee shall chair the  
14 Development Cabinet.

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

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

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

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

8           (4) The Development Cabinet shall:

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

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

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

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

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

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

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

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

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

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

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

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

7           (9) Support recreational opportunities that build on Vermont’s  
8 outstanding natural resources, and encourage public access for activities such  
9 as boating, hiking, fishing, skiing, hunting, and snowmobiling. ~~Support;~~ and  
10 support and work collaboratively to make possible sound development and  
11 well-planned growth in existing recreational infrastructure.

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

14           (11) [Repealed.]

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

20           (13) Participate in creating a long-term economic development plan,  
21 including making available the members of any agency or department of State



1 government as necessary and appropriate to support the mission of an  
2 interagency work group established under subsection (b) of this section.

3 (d) Interagency work group.

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

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

15 (e) Long-term economic development plan. (1) On or before January 15,  
16 2014, and every two years thereafter, the Development Cabinet or its work  
17 group shall complete a long-term economic development plan as required  
18 under subsection (d) of this section and recommend it to the Governor.

19 (2) Commencing with the plan due on or before January 15, 2016, the  
20 Development Cabinet or its work group may elect only to prepare and

1 recommend to the Governor an update of the long-term economic development  
2 plan.

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

6 (f) Limitations. This Cabinet is strictly an ~~information-gathering~~  
7 information-gathering and coordinating cabinet and confers no additional  
8 enforcement powers.

9 Sec. N.2. [Reserved.]

10 \* \* \* Advanced, Emerging, and Renewable Energy Technologies \* \* \*

11 O.1.-O.5. [Reserved.]

12 \* \* \* Financial Technology Study \* \* \*

13 Sec. P.1. STUDY AND REPORT: FINANCIAL TECHNOLOGY

14 (a) The General Assembly finds:

15 (1) The field of financial technology is rapidly expanding in scope and  
16 application.

17 (2) These developments present both opportunities and challenges.

18 (3) On the opportunity side, Vermont has been a leader in previous  
19 innovations in finance in contexts such as captive insurance.

20 (4) The existing Vermont legislation on blockchain technology and  
21 other aspects of e-finance have given Vermont the potential for leadership in

1 this new era of innovation as well, with the possibility of expanded economic  
2 activity in the financial technology sector that would provide opportunities for  
3 employment, tax revenues and other benefits.

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

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

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

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

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

1           (C) measurable goals and outcome that would indicate success in the  
2 implementation of such a policy.

3           (2) In developing the background for this report, the Commissioner,  
4 Secretary, and Attorney General may consult such other constituencies and  
5 stakeholders within and outside of the State as they may determine for  
6 information that will be helpful to their considerations.

7           (c) Members of the committee who are not employees of the State of  
8 Vermont and who are not otherwise compensated or reimbursed for their  
9 attendance shall be entitled to per diem compensation and reimbursement of  
10 expenses pursuant to 32 V.S.A. § 1010 for no more than five meetings.

11                   \* \* \* Remote work and flexible work arrangements\* \* \*

12           Sec. Q.1. 32 V.S.A. chapter 151, subchapter 11O is added to read:

13                   Subchapter 11O. Remote and Flexible Workplace Tax Credit  
14 § 5930qq. REMOTE AND FLEXIBLE WORKPLACE TAX CREDIT

15           (a) As used in this section:

16                   (1) “Employer” means an entity doing business at one or more physical  
17 locations in Vermont or that employs one or more employees that telecommute  
18 from a worksite located in Vermont for at least 130 workdays during a  
19 tax year.

20                   (2) “Flexible work schedule” means a daily work schedule that contains  
21 certain required hours during which an employee must be present at work and

1 designated hours before or after the required hours during which an employee,  
2 with the approval of his or her employer, may elect a time of arrival to work  
3 and departure from work.

4 (3) “Job-share” means a work arrangement in which two or more  
5 employees share one job, jointly assuming responsibility for the job’s output.

6 (4) “On-site or subsidized child care” means child and dependent care  
7 services that meet the following requirements:

8 (A) The services are provided at or near the employee’s workplace.

9 (B) The services are available for the entire period of the employee’s  
10 workday.

11 (C) The employer assumes a minimum of 25 percent of the cost of  
12 the services for each child or dependent of an employee that receives such  
13 services.

14 (5) “Part-time work” means a work arrangement in which an employee  
15 works more than 20 hours per week but fewer than 40 hours per week.

16 (6) “Qualified remote and flexible workplace program” means a  
17 program that permits employees to elect to participate in at least two of the  
18 following flexible work arrangements:

19 (A) flexible work schedule;

20 (B) job-share;

21 (C) part-time work;

1           (D) telecommuting; and

2           (E) onsite or subsidized child care.

3           (7) “Telecommute” means a work arrangement in which an employee  
4 works from the employee’s home or a workplace near the employee’s home  
5 instead of from the employer’s place of business. “Telecommute” does not  
6 include direct sales in which the employee is engaged in selling consumer  
7 products in a customer’s home or a location that is not a permanent retail  
8 establishment.

9           (b)(1) A tax credit against any tax liability under section 5822 or 5832 of  
10 this title is available to an employer with a qualified remote and flexible  
11 workplace program. The credit shall be available for any tax year in which the  
12 employer maintains a qualified remote and flexible workplace program for the  
13 entire year or the credit may be carried forward to any of the three subsequent  
14 tax years.

15           (2) The credit shall be in the amount of \$250.00 for each full-time  
16 equivalent employee participating in the qualified remote and flexible  
17 workplace program plus ten percent of the employer’s expenditures made  
18 pursuant to the program for onsite or subsidized child care and for equipment  
19 related to telecommuting.

1           (3) The credit, either alone or in combination with any other credit  
2           allowed by this chapter, shall not reduce the income tax liability of the  
3           employer by more than 80 percent.

4           (c)(1) To claim a credit pursuant to this section, an employer shall submit  
5           to the Agency of Commerce and Community Development documentation and  
6           any additional information requested by the Agency that is necessary to  
7           demonstrate compliance with the requirements set forth in subsection (b) of  
8           this section in the tax year for which the credit is claimed.

9           (2) The Agency, upon review and confirmation of the employer's  
10           eligibility for a credit, shall issue a credit certificate to the employer, who shall  
11           file the certificate with the Department of Taxes with its State income tax  
12           return for the applicable year.

13           (d) The Secretary of Commerce and Community Development shall adopt  
14           rules as necessary to implement this section.

15           (e) The Secretary of Commerce and Community Development shall report  
16           to the House Committee on Commerce and Economic Development and the  
17           Senate Committee on Economic Development, Housing and General Affairs  
18           on or before January 15 of each year regarding employee participation in the  
19           Remote and Flexible Workplace Tax Credit Program. The report shall include  
20           the following information:

21           (1) the number of employers participating in the program;

1           (2) the rate at which the participating employers are providing job-share,  
2           part-time work, flexible work schedules, telecommuting, and onsite or  
3           subsidized child care to their employees;

4           (3) the rate at which employees are participating in job-share, part-time  
5           work, flexible work schedule, telecommuting, and onsite or subsidized child  
6           care programs;

7           (4) the estimated average number of trips, miles, and hours of travel  
8           time saved annually by each employer that offers telecommuting to its  
9           employees;

10           (5) a summary of the efforts of employers to promote and encourage  
11           flexible work arrangements; and

12           (6) an evaluation of the effectiveness of employers' efforts to promote  
13           and encourage flexible work arrangements.

14           Sec. Q.2. PROMOTION OF REMOTE AND FLEXIBLE WORK OPTIONS  
15                           IN STATE GOVERNMENT; REPORT

16           (a) The Secretary of Administration shall, on or before January 1, 2018,  
17           develop and implement a program to expand flexible work options for State  
18           employees, including telecommuting, part-time work, job-share, and flexible  
19           work schedules. The program shall be designed to achieve the following  
20           goals:

21                   (1) increase employee efficiency and productivity;



1           (2) enhance employee work-life balance;

2           (3) promote employee involvement in family, community, and civic  
3 activities;

4           (4) benefit the environment; and

5           (5) reduce demands on transportation infrastructure and parking at  
6 State offices.

7           (b) The Secretary shall require all State agencies and departments to  
8 implement the program on or before July 1, 2018.

9           (c) Nothing in this section shall be construed to amend or modify any  
10 collective bargaining agreement to which the State is a party. Nothing in this  
11 section shall be construed to diminish the State’s obligation to comply with  
12 any collective bargaining agreement to which it is a party.

13           (d) The Secretary shall report, on or before January 15, 2020, to the House  
14 Committees on General, Housing and Military Affairs and on Government  
15 Operations and the Senate Committees on Economic Development, Housing  
16 and General Affairs and on Government Operations regarding the effectiveness  
17 of the program at achieving the goals set forth in subsection (a) of this section  
18 and any recommendations for legislative action to further promote those goals.  
19 The Secretary’s report shall also include:

20           (1) the number of regular part-time employees currently employed by  
21 the State and the percentage of the State’s total workforce it represents;

1           (2) the number of State employees that are participating in a job-share  
2           and the percentage of the State’s total workforce it represents;

3           (3) the number of State employees that have a flexible work schedule  
4           and the percentage of the State’s total workforce it represents;

5           (4) the number of State employees that telecommute and the percentage  
6           of the State’s total workforce it represents;

7           (5) the program’s policies and guidelines for State employees that wish  
8           to participate in the program; and

9           (6) plans to increase the amount and scope of flexible work options  
10          available to employees across State government.

11          (e) As used in this section:

12           (1) “Flexible work schedule” means a daily work schedule which  
13           contains certain required hours during which an employee must be present at  
14           work and designated hours before or after the required hours during which an  
15           employee, with the approval of his or her employer, may elect a time of arrival  
16           to work and departure from work.

17           (2) “Job-share” means a work arrangement in which two or more  
18           employees share one job, jointly assuming responsibility for the job’s output.

19           (3) “Part-time work” means a work arrangement in which an employee  
20           works more than 20 hours per week but fewer than 40 hours per week.

1           (4) “Telecommuting” means a work arrangement in which an employee  
2           works from the employee’s home or a workplace near the employee’s home  
3           instead of from the employee’s principal workplace.

4           Sec. Q.3. SIMPLIFYING GOVERNMENT FOR BUSINESSES WITH  
5           REMOTE WORKERS

6           (a) On or before January 15, 2018, the Secretary of Administration and the  
7           Secretary of State, in collaboration with the Department of Labor, the Agency  
8           of Commerce and Community Development, the Department of Taxes, and  
9           other stakeholders, shall design a system that:

10           (1) enhances the State’s website to simplify registration and offer a clear  
11           compilation of State permitting rules to businesses that employ remote workers  
12           in Vermont;

13           (2) creates a single, simple mechanism for making payments to the  
14           State, by allowing a person to pay amounts he or she owes to the State for  
15           taxes, fees, or other charges, through a single portal on the State’s website or to  
16           a single recipient within government;

17           (3) creates a single, simple mechanism for a business that employs  
18           remote workers in Vermont to satisfy annual filing requirements by allowing a  
19           person to make a single filing through a portal on the State website or to a  
20           single recipient within government and to check a box if nothing substantive  
21           has changed from the prior year; and

1           (4) provides more direct support to businesses that employ remote  
2           workers in Vermont, whether by designating an existing position or creating a  
3           new position within either the Office of the Secretary of State or another  
4           government entity, to offer technical guidance, information, and other support  
5           to persons who are forming or operating a business that employs remote  
6           workers in Vermont.

7           (b) The Secretary of Administration shall submit the proposal to the  
8           General Assembly on or before December 15, 2017. The proposal shall  
9           identify any opportunities to streamline requirements related to permitting,  
10           registration, and payment of taxes and fees, as well as and reduce the  
11           administrative burden on both businesses that employ remote workers in  
12           Vermont and the State. The report shall also include any recommendations for  
13           legislative action necessary to implement the new system.

14           Sec. Q.4. IMPROVING INFRASTRUCTURE AND SUPPORT FOR  
15           REMOTE

16           WORK IN VERMONT; STUDY; REPORT

17           (a) The Secretary of Commerce and Community Development, in  
18           consultation with the Commissioners of Labor, of Public Service, and of  
19           Buildings and General Services, and other interested stakeholders, shall  
20           identify and examine the infrastructural improvements and other support  
21           needed to enhance the ability of businesses to establish a remote presence in

1 Vermont and to allow Vermonters and businesses developing from generator  
2 spaces to work and provide services remotely.

3 (b) Based on his or her findings, and in consultation with the  
4 Commissioners of Labor, of Public Service, and of Buildings and General  
5 Services, and other interested stakeholders, the Secretary shall develop a  
6 program to address the needs identified pursuant to subsection (a) of this  
7 section. Specifically, the program shall:

8 (1) address the infrastructural needs of remote workers and businesses  
9 developing from generator spaces;

10 (2) promote and facilitate the use of remote worksites and generator  
11 spaces;

12 (3) encourage out-of-state companies to use remote workers in Vermont;

13 (4) reduce the administrative and regulatory burden on businesses  
14 employing remote workers in Vermont; and

15 (5) increase the ease of start-up companies finding remote work or  
16 generator spaces in the State.

17 (c) On or before January 15, 2018, the Secretary shall submit a written  
18 report detailing his or her findings, plan, and any recommendations for  
19 legislative action to implement the plan to the House Committee on Commerce  
20 and Economic Development and the Senate Committee on Economic  
21 Development, Housing and General Affairs.

1       Sec. Q.5. INTEGRATED PUBLIC-PRIVATE STATE WORKSITES

2           The Secretary of Administration, in consultation with the Secretary of  
3       Commerce and Community Development and the Commissioner of Buildings  
4       and General Services, shall examine the potential for the State to establish  
5       remote worksites that are available for use by both State employees and remote  
6       workers in the private sector. The Secretary shall examine the feasibility of  
7       and potential funding models for the worksites. On or before January 15,  
8       2018, the Secretary shall submit a written report to the House Committee on  
9       Commerce and Economic Development and the Senate Committee on  
10       Economic Development, Housing and General Affairs detailing his or her  
11       findings and any recommendations for legislative action.

12       Sec. Q.6. IMPROVEMENT OF TARGETED WORKFORCE

13       EDUCATIONAL

14           OPPORTUNITIES

15           The Commissioner of Labor, in consultation with the Secretary of  
16       Education, the President of the University of Vermont and State Agricultural  
17       College, the Chancellor of the Vermont State Colleges, the Vermont  
18       Association of Career and Technical Education Directors, representatives of  
19       Vermont employers and workforce educational organizations, and other  
20       interested stakeholders shall identify skilled occupations for which there is a  
21       current or projected shortage of workers in Vermont, and create a plan to

1 develop, expand, and prioritize educational programs, including undergraduate  
2 and graduate degree and certificate programs, continuing education, career and  
3 technical education, and internships, that will provide the skills necessary for  
4 the occupations identified. On or before January 15, 2018, the Commissioner  
5 shall submit a written report to the General Assembly detailing his or her  
6 findings and plan, and any recommendations for legislative action necessary to  
7 implement the plan.

8 Sec. Q.7. RURAL WORKFORCE BROADBAND PROGRAM

9 (a) The Secretary of Commerce and Community Development, in  
10 consultation with the Director for Telecommunications and Connectivity, shall  
11 develop a rural workforce broadband program. The purpose of the program  
12 shall be to encourage the deployment of broadband Internet access in rural,  
13 high-cost areas of the State to promote economic development. Specifically,  
14 the program shall:

15 (1) provide time-limited financial assistance to remote workers for  
16 access to digital devices, broadband Internet connections, and local content and  
17 services, such as business software and applications;

18 (2) be funded through Vermont's Universal Service Fund;

19 (3) to the greatest extent possible and for the purpose of finding least-  
20 cost alternatives, encourage connections with existing fiber optic networks,  
21 such as the network owned by the Vermont Electric Power Co., Inc. (VELCO);

1           (4) ensure that funding under the program is used only to support  
2           Internet service capable of upload and download speeds necessary to  
3           adequately support a remote workforce;

4           (5) reflect eligibility criteria that ensure funds are used in a manner that  
5           will achieve the greatest economic benefit in Vermont communities that  
6           currently do not have universal access to broadband Internet service; and

7           (6) include any other standards or criteria necessary to achieve the  
8           purpose of the program.

9           (b) On or before December 1, 2017, the program developed pursuant to this  
10          section shall be submitted to the General Assembly jointly by the Secretary  
11          and the Director in the form of draft legislation.

12          Sec. X. EFFECTIVE DATE

13          This act shall take effect on July 1, 2017, except, notwithstanding 1 V.S.A.  
14          § 214, Sec. C.2 (research and development tax credit) shall apply retroactively  
15          to January 1, 2017 and apply to any claim for credit filed after that date.