

1 H.159

2 Introduced by Representatives Coffey of Guilford, Burke of Brattleboro,
3 James of Manchester, Jerome of Brandon, Killacky of South
4 Burlington, Kimbell of Woodstock, Lefebvre of Newark, and
5 White of Bethel

6 Referred to Committee on

7 Date:

8 Subject: Commerce and trade; economic development

9 Statement of purpose of bill as introduced: This bill proposes to create a
10 Better Places Program to support projects that create, activate, or revitalize
11 communities and public spaces.

12 An act relating to ~~creating the Better Places Program~~ *community and*
13 *economic development and workforce revitalization*

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

15 ~~Sec. 1. FINDINGS, INTENT AND PURPOSE~~

16 (a) The General Assembly finds:

17 (1) The COVID-19 pandemic has devastated our economy through
18 business closures and job losses, and physical distancing requirements have
19 exacerbated social isolation and impacted Vermonters' quality of life and sense
20 of community.

1 (2) Public spaces are essential for supporting economic activity and
2 health and well-being throughout the pandemic and for building engaged,
3 equitable, and resilient communities in the future.

4 (3) Vermont's downtowns and villages increasingly depend on inviting
5 public spaces that are robustly programmed to restore our distinct sense of
6 place, strengthen community pride and identity, and attract businesses, jobs,
7 and talent.

8 (4) Placemaking projects intentionally leverage the power of the arts
9 and cultural assets to strengthen the economic and social fabric of communities
10 and allow for growth and transformation that builds upon local and regional
11 character, culture, and quality of place.

12 (5) Research shows that community-driven placemaking projects
13 increase economic and civic vitality, and create spaces where commerce
14 thrives, social connections flourish, civic participation increases, and residents
15 are empowered to take ownership of their future to build healthier and
16 equitable local economies.

17 (b) It is the intent of the General Assembly to:

18 (1) enhance the livability and unique sense of place in Vermont's
19 downtowns and villages by providing funding, training, and resources to
20 support investments in public spaces and local placemaking projects that build
21 prosperous, equitable, healthy, and resilient communities,

1 ~~(2) promote healthy, safe, equitable, and vibrant downtowns, villages,~~
2 and neighborhoods for people of all ages, abilities, backgrounds, and incomes
3 by increasing public space and placemaking investments in local communities;

4 (3) strategically coordinate and simplify the funding process from
5 multiple community development funders, streamline the grantmaking and
6 distribution process, democratize community access to grant funds, and
7 provide communities a nimble, flexible source to quickly fund and launch
8 community-driven placemaking projects to make positive and enduring change
9 locally; and

10 (4) help local leaders identify, develop, and implement placemaking
11 projects by creating the Better Places Program to advance local recovery
12 efforts, rebuild local economies, boost local capacity, and reconnect
13 Vermonters to one another – critical elements that help communities recover
14 quickly and build prosperous and resilient communities in the future.

15 Sec. 2. 24 V.S.A. § 2799 is added to read:

16 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

17 (a)(1) There is created a Better Places Program within the Department of
18 Housing and Community Development, and a Better Places Fund, which the
19 Department shall manage pursuant to 32 V.S.A. Chapter 7, subchapter 5.

1 (2) The purpose of the Program is to utilize crowdfunding to spark
2 community revitalization through collaborative grantmaking for projects that
3 create, activate, or revitalize public spaces.

4 (3) The Department may administer the Program in coordination with
5 and support from other State agencies and nonprofit and philanthropic
6 partners.

7 (b) The Fund is composed of the following:

8 (1) State or federal funds appropriated by the General Assembly;

9 (2) gifts, grants, or other contributions to the Fund;

10 (3) proceeds from the issuance of general obligation bonds; and

11 (4) any interest earned by the Fund.

12 (c) As used in this section, “public space” means an area or place that is
13 open and accessible to all people, generally with no charge for admission, and
14 includes village greens, squares, parks, community centers, town halls,
15 libraries, and other publicly accessible buildings and connecting spaces such as
16 sidewalks, streets, alleys, and trails.

17 (d)(1) The Department of Housing and Community Development shall
18 establish an application process, eligibility criteria, and criteria for prioritizing
19 assistance for awarding grants through the Program.

20 (2) The Department may award a grant to a municipality or nonprofit
21 organization for a project that is located in or serves a designated downtown,

1 ~~village center, new town center, or neighborhood development area that will~~
2 create a new public space or revitalize or activate an existing public space.

3 (d) The Department may develop matching grant eligibility
4 requirements, such as requiring that to be eligible for a grant, a project shall
5 use matching funds raised through a crowdfunding approach that includes
6 multiple donors and other appropriate requirements to ensure a broad base of
7 community and financial support for the project.

8 (e) The Department of Housing and Community Development, with the
9 assistance of a fiscal agent, shall distribute funds under this section in a
10 manner that provides funding for projects of various sizes in as many
11 geographical areas of the State as possible.

12 (f) The Department of Housing and Community Development may use up
13 to 15 percent of any appropriation to the Fund from the General Fund to assist
14 with crowdfunding, administration, and technological needs of the Program.

15 (g) Beginning on January 15, 2022 and annually thereafter, the Department
16 of Housing and Community Development shall submit to the Senate
17 Committee on Economic Development, Housing and General Affairs and the
18 House Committee on Commerce and Economic Development an annual report
19 regarding the activities and progress of the Program. The report shall:

20 (1) summarize the Program activities in the preceding year and report
21 on the number of awarded grants and the total grant funds allocated,

1 ~~(2) report on partner resources and contributions to the Program; and~~
2 (3) report on any measurable economic activity, which may include
3 number of jobs created, number of visitors, the approximate number of square
4 feet to be activated or redeveloped, and the number of volunteers engaged in
5 the project.

6 Sec. 3. EFFECTIVE DATE

7 ~~This act shall take effect on July 1, 2021.~~

** * * Tourism and Marketing * * **

Sec. 1. TOURISM AND MARKETING; APPROPRIATION

(a) The tourism and hospitality sector has suffered widespread disruption from the COVID-19 pandemic, with restaurant, lodging, entertainment, specialty retail and related businesses, as well as cultural attractions, suffering job losses and an uncertain ability to remain operational due to the travel restrictions imposed and the revenue losses that have been experienced.

(b) When travel is safe again, Vermont will have a strategic opportunity coming out of the pandemic to encourage visitation due our abundance of open space, strong cultural and outdoor recreation assets, and careful management of the virus.

(c) In fiscal year 2022, the amount of ~~\$1,000,000.00~~\$2,500,000.00 is appropriated from the ~~General Fund~~ funds available to the State under the American Rescue Plan Act of 2021 to the Department of Tourism and

Marketing to promote Vermont's travel, recreation, culinary, arts, culture, agritourism, and heritage experiences to attract visitors, and stimulate visitor spending with local attractions and small businesses in rural communities and throughout the State.

** * * Technology-Based Economic Development * * **

~~Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT~~

~~PROGRAM; APPROPRIATION~~

~~(a) In fiscal year 2022, the amount of \$1,000,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to design and implement a technology-based economic development program, consistent with the following:~~

~~(1) Small business innovation research; small business technical transfer; technical assistance. A total of \$200,000.00 to provide technical assistance to first-time applicants pursuing a federal SBIR or STTR grant.~~

~~(2) SBIR; STTR; Phase I and Phase II matching grants. A total of \$400,000.00 to provide a 50 percent State matching grant, up to \$50,000.00, to businesses that receive a federal SBIR/STTR Phase I or Phase II grant.~~

~~(3) Industry research partnership program. A total of \$200,000.00 to provide a 100 percent matching grant to Vermont small businesses:~~

~~(A) to purchase services and technical assistance from universities and research institutions, including research and development assistance,~~

~~technology assessments, product prototyping, lab validation, and overcoming development hurdles; and~~

~~(B) to establish better relationships among Vermont businesses and higher education researchers, speed time-to-market for new technologies, and help keep Vermont companies relevant in the marketplace.~~

~~(4) University of Vermont Office of Engagement. A total of \$200,000.00 for a pass-through grant to the University of Vermont Office of Engagement to leverage the research services and data science capabilities of the University.~~

Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

PROGRAM; APPROPRIATION

(a) In fiscal year 2022, the amount of \$1,000,000.00 is appropriated from the amounts available to the State through the American Rescue Plan Act of 2021 to the University of Vermont to design and implement a technology-based economic development program, consistent with the following:

(1) Small business innovation research; small business technical transfer; technical assistance. A total of \$200,000.00 to provide technical assistance to first-time applicants pursuing a federal SBIR or STTR grant.

(2) SBIR; STTR; Phase I and Phase II matching grants. A total of \$400,000.00 to provide a 50 percent State matching grant, up to \$50,000.00, to businesses that receive a federal SBIR/STTR Phase I or Phase II grant.

(3) Industry research partnership program. A total of \$200,000.00 to provide a 100 percent matching grant to Vermont small businesses:

(A) to purchase services and technical assistance from universities and research institutions, including research and development assistance, technology assessments, product prototyping, lab validation, and overcoming development hurdles; and

(B) to establish better relationships among Vermont businesses and higher education researchers, speed time-to-market for new technologies, and help keep Vermont companies relevant in the marketplace.

(4) University of Vermont Office of Engagement. A total of \$200,000.00 to the Office of Engagement to administer the funds pursuant to this subsection.

(b) In fiscal year 2022, the amount of \$2,000,000 is appropriated from the amounts available to the State under the American Rescue Plan Act of 2021 to the University of Vermont Office of Engagement for a two-year period to leverage the research services and data science capabilities of the University.

(c) On or before January 15, 2022, the University of Vermont shall report to the General Assembly concerning the implementation of this section, including the provision of grants and technical assistance; the number of businesses assisted; how many SBIR/STTR phase I & II matching grants awarded; how many businesses received the maximum grant; how many

matching grants and the amounts awarded through the industry research partnership program; and the nature and scope of assistance provided through the Office of Engagement.

(d) The University of Vermont shall use the funds appropriated in this section to promote technology-based businesses and to provide assistance to Vermont businesses that have suffered economic harm due to the COVID-19 public health emergency consistent with the American Rescue Plan Act of 2021.

** * * Postsecondary CTE System * * **

Sec. 3. 2019 Acts and Resolves No. 80, Sec. 6 is amended to read:

*Sec. 6. POSTSECONDARY CAREER AND TECHNICAL EDUCATION
SYSTEM*

(a) Findings; purpose.

(1) Findings. The General Assembly finds:

(A) Like many rural states, Vermont faces demographic realities that have resulted in an historically low unemployment rate and created obstacles for employers that seek to hire and retain enough fully trained employees.

(B) Notwithstanding this high employer demand, due to rapidly changing technology and evolving business needs, potential employees may lack the particular skills and training necessary to qualify for available jobs.

(C) In order to assist employers and employees in matching demand to requisite skills, Vermont has a broad diversity of postsecondary workforce education and training programs offered by multiple providers, including programs administered or funded by State government, educational institutions, and business-lead groups such as the Vermont Talent Pipeline Management Project. The State should continue to work closely with these providers to identify and meet the needs of employers and employees.

* * *

(b) Postsecondary CTE System.

(1) The Department of Labor, in collaboration with the Agency of Education, the Vermont State Colleges, and the Vermont Adult Technical Education Association, ~~and any~~ shall:

(A) consultant the Department hires for that purpose, issue a request for proposals and hire a consultant on or before September 1, 2021; and

(B) shall consider and report to the General Assembly on the design, implementation, and costs of an integrated postsecondary career and technical education system that achieves the results specified in subdivision (a)(2) of this section.

(2) In performing their work, the Department, stakeholders, and ~~any~~ the consultant shall conduct a broad-based stakeholder engagement process to solicit input from interested parties, and State agencies and departments shall

provide necessary information and assistance within their relative areas of expertise.

(c) Report. On or before January 15, 2020 2022, the Department of Labor shall submit a preliminary report on the status of its work and a final report on or before December 15, 2022 with any recommendations for legislative action to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

(d) In performing its work to create an integrated postsecondary career and technical education system, the Department shall recognize issues faced by persons with historical barriers to employment or who are underrepresented in the workforce, including persons who have faced discrimination based on race, sex, sexual orientation, gender identity, age, refugee status, and national origin; persons in recovery; persons with a history of incarceration; and persons with disabilities.

~~Sec. 4. APPROPRIATION~~

~~*In fiscal year 2022, the amount of \$75,000.00 is appropriated from the General Fund to the Department of Labor to implement Sec. 3 of this act.*~~

Sec. 4. APPROPRIATION

The Department of Labor shall allocate not more than \$75,000.00 from the amounts available in the Workforce Expansion Fund to implement Sec. 3 of this act.

** * * Group Insurance; Northern Borders Regional Commission * * **

Sec. 5. 3 V.S.A. § 631 is amended to read:

*§ 631. GROUP INSURANCE FOR STATE EMPLOYEES; SALARY
DEDUCTIONS FOR INSURANCE, SAVINGS PLANS, AND
CREDIT UNIONS*

(a)(1) The Secretary of Administration may contract on behalf of the State with any insurance company or nonprofit association doing business in this State to secure the benefits of franchise or group insurance. Beginning July 1, 1978, the terms of coverage under the policy shall be determined under section 904 of this title, but it may include:

(A) life, disability, health, and accident insurance and benefits for any class or classes of State employees; and

(B) hospital, surgical, and medical benefits for any class or classes of State employees or for those employees and any class or classes of their dependents.

(2)(A)(i) As used in this section, the term “employees” includes any class or classes of elected or appointed officials, State’s Attorneys, sheriffs, employees of State’s Attorneys’ offices whose compensation is administered through the State of Vermont payroll system, except contractual and temporary employees, and deputy sheriffs paid by the State of Vermont pursuant to 24 V.S.A. § 290(b). The term “employees” shall not include members of the

General Assembly as such, any person rendering service on a retainer or fee basis, members of boards or commissions, or persons other than employees of the Vermont Historical Society, ~~the Vermont Film Corporation~~, the Vermont State Employees' Credit Union, Vermont State Employees' Association, ~~and~~ the Vermont Council on the Arts, and the Northern Border Regional Commission, whose compensation for service is not paid from the State Treasury, or any elected or appointed official unless the official is actively engaged in and devoting substantially full-time to the conduct of the business of his or her public office.

(ii) For purposes of group hospital-surgical-medical expense insurance, the term "employees" shall include employees as defined in subdivision (i) of this subdivision (2)(A) and former employees as defined in this subdivision who are retired and are receiving a retirement allowance from the Vermont State Retirement System or the State Teachers' Retirement System of Vermont and, for the purposes of group life insurance only, are retired on or after July 1, 1961, and have completed 20 creditable years of service with the State before their retirement dates and are insured for group life insurance on their retirement dates.

(iii) For purposes of group hospital-surgical-medical expense insurance only, the term "employees" shall include employees as defined in subdivision (i) of this subdivision (2)(A) and employees who are receiving a

retirement allowance based upon their employment with the Vermont State Employees' Association, the Vermont State Employees' Credit Union, the Vermont Council on the Arts, as long as they are covered as active employees on their retirement date, and:

(I) they have at least 20 years of service with that employer; or

(II) have attained 62 years of age, and have at least 15 years of service with that employer.

(B) The premiums for extending insurance coverage to employees shall be paid in full by the Vermont Historical Society, ~~the Vermont Film Corporation~~, the Vermont State Employees' Association, the Vermont State Employees' Credit Union, the Vermont Council on the Arts, and the Northern Border Regional Commission, or their respective retirees. Nothing herein creates a legal obligation on the part of the State of Vermont to pay any portion of the premiums required to extend insurance coverage to this group of employees.

** * **

** * * Better Places Program * * **

Sec. 6. FINDINGS; INTENT AND PURPOSE

(a) The General Assembly finds:

(1) The COVID-19 pandemic has devastated our economy through business closures and job losses, and physical distancing requirements have

exacerbated social isolation and impacted Vermonters' quality of life and sense of community.

(2) Public spaces are essential for supporting economic activity and health and well-being throughout the pandemic and for building engaged, equitable, and resilient communities in the future.

(3) Vermont's downtowns and villages increasingly depend on inviting public spaces that are robustly programmed to restore our distinct sense of place; strengthen community pride and identity; and attract businesses, jobs, and talent.

(4) Placemaking projects intentionally leverage the power of the arts and cultural assets to strengthen the economic and social fabric of communities and allow for growth and transformation that builds upon local and regional character, culture, and quality of place.

(5) Research shows that community-driven placemaking projects increase economic and civic vitality and create spaces where commerce thrives, social connections flourish, civic participation increases, and residents are empowered to take ownership of their future to build healthier and equitable local economies.

(b) It is the intent of the General Assembly to:

(1) enhance the livability and unique sense of place in Vermont's downtowns and villages by providing funding, training, and resources to

support investments in public spaces and local placemaking projects that build prosperous, equitable, healthy, and resilient communities;

(2) promote healthy, safe, equitable, and vibrant downtowns, villages, and neighborhoods for people of all ages, abilities, backgrounds, and incomes by increasing public space and placemaking investments in local communities;

(3) strategically coordinate and simplify the funding process from multiple community development funders, streamline the grantmaking and distribution process, democratize community access to grant funds, and provide communities a nimble, flexible source to quickly fund and launch community-driven placemaking projects to make positive and enduring change locally; and

(4) help local leaders identify, develop, and implement placemaking projects by creating the Better Places Program to advance local recovery efforts, rebuild local economies, boost local capacity, and reconnect Vermonters to one another—critical elements that help communities recover quickly and build prosperous and resilient communities in the future.

Sec. 7. 24 V.S.A. § 2799 is added to read:

§ 2799. BETTER PLACES PROGRAM; CROWD GRANTING

(a)(1) There is created the Better Places Program within the Department of Housing and Community Development, and the Better Places Fund, which the Department shall manage pursuant to 32 V.S.A. chapter 7, subchapter 5.

(2) The purpose of the Program is to utilize crowdfunding to spark community revitalization through collaborative grantmaking for projects that create, activate, or revitalize public spaces.

(3) The Department may administer the Program in coordination with and support from other State agencies and nonprofit and philanthropic partners.

(b) The Fund is composed of the following:

(1) State or federal funds appropriated by the General Assembly;

(2) gifts, grants, or other contributions to the Fund; and

(3) any interest earned by the Fund.

(c) As used in this section, “public space” means an area or place that is open and accessible to all people with no charge for admission and includes village greens, squares, parks, community centers, town halls, libraries, and other publicly accessible buildings and connecting spaces such as sidewalks, streets, alleys, and trails.

(d)(1) The Department of Housing and Community Development shall establish an application process, eligibility criteria, and criteria for prioritizing assistance for awarding grants through the Program.

(2) The Department may award a grant to a municipality, a nonprofit organization, or a community group with a fiscal sponsor for a project that is located in or serves a designated downtown, village center, new town center, or

neighborhood development area that will create a new public space or revitalize or activate an existing public space.

(3) The Department may award a grant to not more than one project per calendar year within a municipality.

(4) The minimum amount of a grant award is \$5,000.00 and the maximum amount of a grant award is \$50,000.00.

(5) The Department shall develop matching grant eligibility requirements to ensure a broad base of community and financial support for the project, subject to the following:

(A) A project shall include in-kind support and matching funds raised through a crowdfunding approach that includes multiple donors.

(B) An applicant may not donate to its own crowdfunding campaign.

(C) A donor may not contribute more than \$10,000.00 or 35 percent of the campaign goal, whichever is less.

(D) An applicant shall provide matching funds raised through crowdfunding of not less than 25 percent and not more than 50 percent of the grant award, provided that the Department may adjust the matching requirements within this range if necessary due to demand and availability of funds.

(e) The Department of Housing and Community Development, with the assistance of a fiscal agent, shall distribute funds under this section in a

manner that provides funding for projects of various sizes in as many geographical areas of the State as possible.

(f) The Department of Housing and Community Development may use up to 15 percent of any appropriation to the Fund from the General Fund to assist with crowdfunding, administration, training, and technological needs of the Program.

(g) Beginning on January 15, 2022 and annually thereafter, the Department of Housing and Community Development shall submit to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development an annual report regarding the activities and progress of the Program. The report shall:

(1) summarize the Program activities in the preceding year and report on the number of awarded grants and the total grant funds allocated;

(2) report on partner resources and contributions to the Program; and

(3) report on any measurable economic activity, which may include the number of jobs created, the number of visitors, the approximate number of square feet to be activated or redeveloped, and the number of volunteers engaged in the project.

Sec. 7a. APPROPRIATION

In fiscal year 2022, the amount of \$5,000,000.00 is appropriated from the funds available to the State under the American Rescue Plan Act of 2021 to the Better Places Fund to implement the Better Places Program created in Sec. 7 of this act.

** * * Downtown Tax Credit Program * * **

Sec. 8. 32 V.S.A. § 5930aa is amended to read:

§ 5930aa. DEFINITIONS

As used in this subchapter:

(1) “Qualified applicant” means an owner or lessee of a qualified building involving a qualified project, but does not include a State or federal agency or a political subdivision of either; or an instrumentality of the United States.

(2) “Qualified building” means a building built at least 30 years before the date of application, located within a designated downtown or village center, or neighborhood development area, which, upon completion of the project supported by the tax credit, will be an income-producing building not used solely as a single-family residence. Churches and other buildings owned by religious organization may be qualified buildings, but in no event shall tax credits be used for religious worship.

(3) “Qualified code improvement project” means a project.

~~(A) to install or improve platform lifts suitable for transporting personal mobility devices, limited use or limited application elevators, elevators, sprinkler systems, and capital improvements in a qualified building, and the installations or improvements are required to bring the building into compliance with the statutory requirements and rules regarding fire prevention, life safety, and electrical, plumbing, and accessibility codes as determined by the Department of Public Safety;~~

~~(B) to abate lead paint conditions or other substances hazardous to human health or safety in a qualified building; or~~

~~(C) to redevelop a contaminated property in a designated downtown or village center, or neighborhood development area under a plan approved by the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.~~

~~(4) “Qualified expenditures” means construction-related expenses of the taxpayer directly related to the project for which the tax credit is sought but excluding any expenses related to a private residence.~~

~~(5) “Qualified façade improvement project” means the rehabilitation of the façade of a qualified building that contributes to the integrity of the designated downtown or designated village center, or neighborhood development area. Façade improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places must be~~

~~consistent with Secretary of the Interior Standards, as determined by the Vermont Division for Historic Preservation.~~

~~***~~

~~Sec. 9. 32 V.S.A. § 5930ee is amended to read:~~

~~§ 5930ee. LIMITATIONS~~

~~Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:~~

~~(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed \$3,000,000.00
\$4,750,000.00.~~

~~***~~

~~(5) credit under any one subsection of 5930cc of this subchapter may not be allocated more often than once every two years with respect to the same building; and~~

~~(6) credit awarded under section 5930cc of this subchapter that is rescinded or recaptured by the State Board shall be available for the State Board to award to applicants in any subsequent year, in addition to the total amount of tax credits authorized under this section;~~

~~(7) the total amount of tax credits awarded annually to qualified projects located within neighborhood development areas does not exceed \$750,000.00, and~~

~~(8) no credit shall be awarded to a qualified project located within a neighborhood development area after July 1, 2026.~~

Sec. 10. 24 V.S.A. § 2793a is amended to read:

§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

** * **

(c) A village center designated by the State Board pursuant to subsection (a) of this section is eligible for the following development incentives and benefits:

** * **

~~(4) The following State tax credits for projects located in a designated village center:~~

~~(A) A State historic rehabilitation tax credit of ten percent under 32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation tax credit.~~

~~(B) A State façade improvement tax credit of 25 percent under 32 V.S.A. § 5930cc(b).~~

~~(C) A State code improvement tax credit of 50 percent under 32 V.S.A. § 5930cc(e) The Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.~~

~~See 11-24 V.S.A. § 2793a is amended to read:~~

~~§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
NEIGHBORHOOD DEVELOPMENT AREAS~~

~~* * *~~

~~(f) Neighborhood development area incentives for developers. Once a municipality has a designated neighborhood development area or has a Vermont neighborhood designation pursuant to section 2793d of this title, any proposed development within that area shall be eligible for each of the benefits listed in this subsection. These benefits shall accrue upon approval by the district coordinator, who shall review the density requirements set forth in subdivision (c)(7) of this section to determine benefit eligibility and issue a jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density requirements are met. These benefits are:~~

~~(1) The the application fee limit for wastewater applications stated in 3 V.S.A. § 2822(j)(4)(D);~~

~~(2) The the application fee reduction for residential development stated in 10 V.S.A. § 6083a(d);~~

~~(3) The the exclusion from the land gains tax provided by 32 V.S.A. § 10002(p); and~~

~~(4) eligibility for the Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5936a et seq.~~

~~***~~

~~Sec. 12. 24 V.S.A. § 2794 is amended to read:~~

~~§ 2794. INCENTIVES FOR PROGRAM DESIGNEES~~

~~(a) Upon designation by the Vermont Downtown Development Board under section 2793 of this title, a downtown development district and projects in a downtown development district shall be eligible for the following:~~

~~(1) Priority consideration by any agency of the State administering any State or federal assistance program providing funding or other aid to a municipal downtown area with consideration given to such factors as the costs and benefits provided and the immediacy of those benefits, provided the project is eligible for the assistance program.~~

~~(2) The following State tax credits:~~

~~(A) A State historic rehabilitation tax credit of 10 percent under 32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation tax credit.~~

~~(B) A State façade improvement tax credit of 25 percent under 32 V.S.A. § 5930cc(b).~~

~~(C) A State code improvement tax credit of 50 percent under 32 V.S.A. § 5930cc(e) The Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.~~

Sec. 13. REPORT

On or before January 15, 2026, the Department of Housing and Community Development shall report to the House Committees on Commerce and Economic Development, on General, Housing, and Military Affairs, and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance on:

(1) the number and location of new neighborhood development areas designated after the passage of this act;

(2) the amount of tax credits allocated annually to projects located within neighborhood development areas under 32 V.S.A. § 5930aa et seq. and the location of those projects;

(3) for any housing produced within neighborhood development areas using tax credits under 32 V.S.A. § 5930aa et seq., the number of housing units produced, the development cost per unit, and the average rent per unit;

(4) whether to extend the sunset in 32 V.S.A. § 5930ee(8); and

(5) any recommended changes to the programs.

* * * International Business Attraction and Investment Program * * *

Sec. 148. FINDINGS

(a) The General Assembly finds:

(1) Business investment by Canada-based businesses provides the opportunity to generate increased employment, increase the range of job opportunities for Vermonters, and increase the dynamism of our communities.

(2) From the past work of the Department of Economic Development, we know that small- and mid-sized businesses in Quebec, Ontario, and other provinces in the region have a natural inclination to explore Vermont as the site for expansion in the U.S. market.

(3) Developing a program to attract businesses and investment from Canada-based businesses and engaging the services of a foreign trade representative to provide local recruitment support can allow the State and its businesses to tap resources of institutions, enterprises, and people to a greater degree and to develop lead generation services, expansion monitoring, in-market representation, market intelligence, and the ability to engage and nurture high-growth companies primed for expansion.

(4) It is the intent of the General Assembly to fund the services of a foreign trade representative for two years in order to begin the work of cultivating relationships with Canada-based partners and developing prospects for attracting business relocation and investment in Vermont.

Sec. ~~15~~9. APPROPRIATION; REPORT

(a) In fiscal year 2022, the amount of \$300,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to

provide funding for up to two years to contract with a foreign trade representative consistent with Sec. 14 of this act.

(b) On or before January 15, 2022, the Agency of Commerce and Community Development shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning:

(1) the terms of the contract; and

(2) metrics to evaluate success of the contract and the representative.

(b) On or before January 15, 2023, the Agency of Commerce and Community Development shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning:

(1) the type and number of business contacts and engagement;

(2) the type of businesses, jobs, and wages brought to the State; and

(3) recommendations concerning the continuation or expansion of the program.

** * * Workforce Development and Education * * **

~~Sec. 16. WORKFORCE DEVELOPMENT AND EDUCATION.~~

~~(a) Findings.~~

~~(1) Due to the COVID-19 the public health emergency, the Vermont State Colleges have experienced a significant decrease in applications, and the~~

~~board of directors has voted to freeze tuition for the 2021-2022 academic year both to keep students costs low and to mitigate the economic impact of COVID-19 on enrollment.~~

~~(2) Deposit activity, a signal of anticipated enrollment for the fall 2021 semester, has declined between five and 20 percent at two of the four VSC institutions, and FAFSA filing for Vermont is down seven percent year over year.~~

~~(3) While the enrollment gap is narrowing from earlier in the fall, it is still significantly wider than normal due to the complexities of how the pandemic is affecting Vermont's high schools and high school students, for example, due to remote learning and the necessity for guidance counselors to broaden the reach of their services to struggling students.~~

~~(4)(A) The federal Pell Grant eligibility for first time, full-time Vermont students is high, signifying that families are financially distressed.~~

~~(B) In the fall of 2019, the percentage of first time, full-time students who were Pell eligible were as follow: CCV (57 percent); CU (39 percent); NVU (49 percent); and VTC (41 percent).~~

~~(C) These students, already economically disadvantaged, are disproportionately impacted by the pandemic and related economic crisis.~~

~~(5) In addition to increasing the needs of Vermont's secondary and post-secondary students, the COVID-19 pandemic has also placed significant~~

~~burden on the Vermont workforce, which can benefit from expanded opportunities available at the Vermont State Colleges.~~

~~(b) Purpose. The purpose of this act is to provide funding for Vermonters:~~

~~(A) who have been impacted by the COVID-19 pandemic through layoffs, furloughs, or reduced hours or due to being employed in an industry that has been severely affected; and~~

~~(B) who are pursuing education and training and require educational assistance and other support due to economic harm and lost opportunities arising from the COVID-19 public health emergency.~~

~~(b) Appropriation. In fiscal year 2022, the amount of \$20,500,000.00 is appropriated from the General Fund to the Vermont State Colleges, in coordination with the Department of Labor, for workforce development and education to Vermonters, as follows:~~

~~(1) Welcome home scholarships. \$4,000,000.00 to provide scholarships of \$5,000.00 per year or \$2,500.00 per semester for full-time students enrolled for 12 or more credits, or \$3,000.00 per year or \$1,500.00 per semester for part-time students, to Vermonters transferring from out-of-state institutions or returning to school after exiting in 2020–2021. This program's mission is to incentivize students to come home to Vermont by transferring to VSCS institutions and to complete their degree if they left school without finishing in 2020–2021.~~

~~(2) Degree completion program. \$3,000,000.00 to provide scholarships for up to 30 credits towards a credential of value for adult learners who have earned at least 40 credits towards an undergraduate degree and have a gap in attendance of at least two years.~~

~~(3) Critical occupations; graduate internship scholarships. \$2,000,000.00 to provide scholarships for up to 12 credits and incentive payments of \$15.00 per hour for up to 240 hours per semester for graduate students who are required to fulfill an internship, practicum, or clinical requirement for a graduate degree in education or mental health counseling.~~

~~(4) Critical occupations; undergraduate internship scholarships. \$1,000,000.00 to provide incentive payments of \$15.00 per hour for up to 240 hours per semester for undergraduate students who are required to fulfill an internship, practicum, or clinical requirement for an undergraduate degree in education or allied health.~~

~~(5) Free tuition for critical occupation careers. \$5,500,000.00 to provide free last dollar tuition for one year of undergraduate studies for critical occupation careers, including bookkeeping certificate, IT service desk specialist certificate, certified production technician, graphic design certificate, software and web development program, practical nursing program, electrical and plumbing apprenticeships, child care, nursing programs, mental health counseling, paramedicine, dental hygiene, certificate~~

~~in accounting, small business management, radiologic science, and respiratory therapy.~~

~~(6) Workforce development 2.0. \$3,000,000.00 to provide funding for up to six credits or two courses, including wraparound services, for Vermonters whose employment was impacted by the COVID-19 public health emergency since March 13, 2020.~~

~~(7) Long-term care facility LPN program. \$2,000,000.00 to provide funding for tuition and wraparound services for students to pursue a practical nursing certificate program.~~

~~(d) Report. On or before January 15, 2022, the Vermont State Colleges shall submit to the General Assembly a progress report concerning the implementation of this section.~~

Sec. ~~16~~10. WORKFORCE DEVELOPMENT AND EDUCATION

(a) Findings.

(1) Due to the COVID-19 public health emergency, the Vermont State Colleges have experienced a significant decrease in applications, and the board of directors has voted to freeze tuition for the 2021–2022 academic year both to keep students' costs low and to mitigate the economic impact of COVID-19 on enrollment.

(2) Deposit activity, a signal of anticipated enrollment for the fall 2021 semester, has declined between five and 20 percent at two of the four VSC

institutions, and FAFSA filing for Vermont is down seven percent year over year.

(3) While the enrollment gap is narrowing from earlier in the fall, it is still significantly wider than normal due to the complexities of how the pandemic is affecting Vermont's high schools and high school students, for example, due to remote learning and the necessity for guidance counselors to broaden the reach of their services to struggling students.

(4)(A) The federal Pell Grant eligibility for first-time, full-time Vermont students is high, signifying that families are financially distressed.

(B) In the fall of 2019, the percentage of first-time, full-time students who were Pell eligible were as follows: CCV (57 percent), CU (39 percent), NVU (49 percent), and VTC (41 percent).

(C) These students, already economically disadvantaged, are disproportionately impacted by the pandemic and related economic crisis.

(5) In addition to increasing the needs of Vermont's secondary and postsecondary students, the COVID-19 pandemic has also placed significant burden on the Vermont workforce, which can benefit from expanded opportunities available at the Vermont State Colleges.

(b) Purpose. In light of these findings, it is the intent of the General Assembly to provide funding in the Big Bill to expand opportunities for education at the Vermont State Colleges for Vermonters:

(A) who have been impacted by the COVID-19 pandemic through layoffs, furloughs, or reduced hours or due to being employed in an industry that has been severely affected; and

(B) who are pursuing education and training and require educational assistance and other support due to economic harm and lost opportunities arising from the COVID-19 public health emergency.

Sec. ~~11~~11. MICROBUSINESS DEVELOPMENT PROGRAM; EMBRACE

(a) The General Assembly finds that the Microbusiness Development Program has demonstrated the capability to help individuals lift themselves out of poverty by providing the technical support and financial assistance necessary to start and sustain entrepreneurial enterprises.

(b) In fiscal year 2022, the amount of \$200,000.00 is appropriated from the General Fund to the Department for Children and Families, Office of Economic Opportunity for pass-through grants to the Community Action Agencies to provide funding for the regional Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

(c) In fiscal year 2022, the amount \$2,000,000.00 is appropriated from the funds available to the State under the American Rescue Plan Act of 2021 to the Department for Children and Families, Office of Economic Opportunity, to be granted to the Community Action Agencies for the Statewide Community Action Network's Economic Micro Business Recovery Assistance for the

COVID-19 Epidemic (EMBRACE) to assist the most disadvantaged Vermont microbusiness owners impacted by COVID-19 business closure orders with access to grants and technical assistance.

Sec. 18. STATE BIPOC BUSINESS NETWORK DEVELOPMENT.

(a) Intent.

(1) Racial wealth disparities are a function of not only access to income, but also the ability to start and sustain a business, access land, and own property.

(2) Vermont embraces its responsibility to course correct the historical impact of economic exploitation and exclusion from opportunity due to race and ethnicity for American descendants of slavery and the broader Black, Indigenous, and Persons of Color community.

(3) In order to rectify this history of inequity, it is the intent of this General Assembly to acknowledge and address wealth disparity and cultural disempowerment by creating economic opportunity and cultural empowerment, using new systems that empower Vermonters who have historically suffered from discrimination and lacked equal access to public or private economic benefits due to race, ethnicity, geography, language preference, and immigrant or citizen status.

(b) Findings.

(1) The Vermont Partnership for Fairness and Diversity conducted a survey of BIPOC businesses after the Emergency Recovery Grant programs closed. The survey analysis included three core recommendations: form a state BIPOC Commission, create a BIPOC business association, and improve data collection and the State's understanding of BIPOC business needs.

(2) The Committee sought information from over a dozen BIPOC business and community and State leaders to learn what BIPOC businesses need to be economically successful in Vermont. Core findings included:

(A) allow BIPOC businesses to lead and define the formation of a BIPOC business network;

(B) offer more support to BIPOC businesses by assisting them in procuring State contracts, securing capital investment and customer cultivation, and finding technical support;

(C) improve language access and cultural competency practices within State economic development programs and strengthen connections to BIPOC businesses; and

(D) improve State data collection to better serve the variety of identities represented within the BIPOC community.

(c) BIPOC business network.

(1) In fiscal year 2022, the amount of \$100,000.00 is appropriated from the General Fund from the funds available to the State under the American

~~Rescue Plan Act of 2021 to the Agency of Commerce and Community Development to provide funding for a contractor of not more than \$100,000.00 to convene BIPOC businesses, organizations, and community leaders and other business organizations, and representatives from State government to create a set of recommendations on how to launch a State BIPOC business network.~~

~~(2) On or before January 15, 2022, the contractor shall deliver to the Agency and to legislative committees of jurisdiction a report summarizing its process, deliberations, and a set of recommendations on how the State can support the formation of a BIPOC business network, including financial resources needed and policy changes.~~

~~(3) Applications for the contract shall be reviewed and selected by the Executive Director of Racial Equity, the Racial Equity Advisory Panel, and the Secretary of Commerce and Community Development.~~

~~Sec. 19. 10 V.S.A. § 2 is added to read:~~

~~§ 2. BIPOC BUSINESS DEVELOPMENT~~

~~The Agency of Commerce and Community Development shall design and implement the Economic Advancement Program and dedicate at least one full-time equivalent employee to oversee the following responsibilities:~~

~~(1) cultivate and support BIPOC businesses, including:~~

~~(A) technical assistance,~~

~~(B) grants and loans;~~

~~(C) business-to-business mentorship program;~~

~~(D) business procurement contract assistance;~~

~~(E) financial management, digital growth, and marketing;~~

~~(F) start-up support;~~

~~(G) capital investment opportunities; and~~

~~(H) networking;~~

~~(2) provide training to business technical assistance providers to reduce bias in service delivery;~~

~~(3) create a data collection system to allow the Department to analyze trends, sectors, and outcomes for BIPOC businesses to better inform economic development policy that benefits BIPOC businesses; and~~

~~(4) create an outreach program that includes language access for the not fewer than three of the most commonly used languages within Vermont other than English on all the programs offered to Vermont businesses within the Agency.~~

Sec. ~~48~~12. STATE BIPOC BUSINESS DEVELOPMENT

~~(a) Intent.~~

~~(1) Racial wealth disparities are a function of not only access to income but also the ability to start and sustain a business, access land, and own property.~~

(2) Vermont embraces its responsibility to course correct the historical impact of economic exploitation and exclusion from opportunity due to race and ethnicity for American descendants of slavery and the broader Black, Indigenous, and Persons of Color community.

(3) In order to rectify this history of inequity, it is the intent of this General Assembly to acknowledge and address wealth disparity and cultural disempowerment by creating economic opportunity and cultural empowerment, using new systems that empower Vermonters who have historically suffered from discrimination and lacked equal access to public or private economic benefits due to race, ethnicity, geography, language preference, and immigrant or citizen status.

(b) Findings.

(1) The Vermont Partnership for Fairness and Diversity conducted a survey of BIPOC businesses after the Emergency Recovery Grant programs closed. The survey analysis included three core recommendations: form a state BIPOC Commission, create a BIPOC business association, and improve data collection and the State's understanding of BIPOC business needs.

(2) The Committee sought information from over a dozen BIPOC business and community and State leaders to learn what BIPOC businesses need to be economically successful in Vermont. Core findings included:

(A) allow BIPOC businesses to lead and define how to strengthen economic development for BIPOC-owned businesses and what organizational structures would best support the Vermont BIPOC business community;

(B) offer more support to BIPOC businesses by assisting them in procuring State contracts, securing capital investment and customer cultivation, and finding technical support;

(C) improve language access and cultural competency practices within State economic development programs and strengthen connections to BIPOC businesses; and

(D) improve State data collection to better serve the variety of identities represented within the BIPOC community.

(3)(A) The Secretary of State, in cooperation with the Agency of Digital Services, is leading the development project for the creation of a business portal to deliver a single point of entry for Vermont businesses to interact with the State across multiple agencies and departments.

(B) When the portal becomes active, which is projected to occur in 2022, the Secretary of State will collect data on race, ethnicity, and gender for individuals registering businesses.

(c) BIPOC business development project.

(1)(A) In fiscal year 2022, the amount of \$100,000.00 is appropriated from the funds available to the State under the American Rescue Plan Act of

2021 to the Agency of Commerce and Community Development to provide funding for a contractor of not more than \$100,000.00 to convene BIPOC businesses, organizations, and community leaders; other business organizations; and representatives from the Agency of Commerce and Community Development and other State agencies and departments as necessary, to create a set of recommendations on how to support BIPOC business development, which may include the creation of a BIPOC business network, the creation of minority business development center or authority, or one or more other similar entities or organizations.

(B) Not more than five percent of the amount appropriated in this section may be used for administrative purposes, including translation services.

(2) The Executive Director of Racial Equity and the Racial Equity Advisory Panel, with the collaboration and support of the Agency of Commerce and Community Development, shall:

(A) issue a request for proposals on or before August 15, 2021;

(B) review and select a contractor on or before September 15, 2021;

and

(C) finalize hiring and ensure the contractor begins work on or before October 15, 2021.

(3)(A) The request for proposals shall include the following requirements for a qualified contractor:

(i) demonstrated experience working with BIPOC businesses or populations, or both;

(ii) knowledge of the Vermont business industries and concentrations of BIPOC-owned businesses;

(iii) proposal on how to convene stakeholders, provide information, and conduct outreach that includes language access for limited English-proficient individuals;

(iv) economic and business development expertise; and

(v) experience in organizational structures.

(B) In making their selection, the Panel, Executive Director, and Agency shall give priority to a contractor with experience working with BIPOC-owned businesses and knowledge of the Vermont business community.

(C) The Agency shall cause the request for proposals to be translated upon request of a potential applicant.

(4)(A) On or before February 15, 2022, the contractor shall deliver to the Panel, the Director, the Agency, and the legislative committees of jurisdiction a preliminary report on financial resources and policy changes needed to support BIPOC business development.

(B) On or before July 1, 2022, the contract shall submit a final report summarizing the process and deliberations and a final set of recommendations on what entities, organizations, or other measures will best support BIPOC business development.

(d) Collection of data.

(1) The Secretary of State shall collect race, ethnicity, and gender data for individuals registering businesses in the State of Vermont as part of its business portal.

(2) The Secretary shall provide data from the portal to the Secretary of Administration, which shall make the data available to relevant agencies and departments within State government to inform economic development policy priorities and strategies as it relates to BIPOC-, women-, and gender non-binary-owned businesses and their needs as businesses and employers.

(3) Once completed, the Secretary of State shall incorporate recommendations related to data collection from the BIPOC business development project created in this section.

Sec. ~~20~~13. ENTREPRENEURS' SEED CAPITAL FUND

(a) Entrepreneurs' Seed Capital Fund. The Entrepreneurs' Seed Capital Fund, created by the Vermont Economic Development Authority pursuant to 10 V.S.A. § 291, is a \$5.1 million revolving "evergreen" capital fund in operation since 2010 serving Vermont's entrepreneurs and early-stage technology-

enabled companies for job growth, income potential, and wealth creation. Since inception, the Fund's portfolio companies have now raised in excess of \$182 million. The Fund is professionally managed by the Vermont Center for Emerging Technologies (VCET).

(b) Appropriation. The amount of ~~\$1,000,000.00~~\$900,000.00 is appropriated from the General Fund to the Entrepreneurs' Seed Capital Fund to provide risk stage seed capital to Vermont businesses that have experienced economic disruption either through reduced business, new business formation, or through an unmanageable increase in new business due to the COVID-19 crisis.

(c) Fast Capital Investment Program; categories. Notwithstanding any provision of 10 V.S.A. § 290 to the contrary, the Fund shall invest in businesses consistent with the following:

(1) The Fund shall invest in rapid seed and early growth stage employers that have a viable plan for recovery and growth.

(2) The Fund shall make expedited investments using simplified investment terms and instruments, including stock, convertible notes, forgivable loans, royalty financing, or grants with equity warrants.

(3) The expected range per new investment is \$20,000.00 to \$100,000.00 from this appropriation.

(4) The Fund shall prioritize sourcing and funding on BIPOC-, veteran-, and women-owned businesses.

(5) In continuing to serve the Vermont innovation ecosystem and notwithstanding the expedited program timeline, the Fund shall pursue co-investment participation from local and regional investors, including Vermont venture funds, family offices, community foundations, accredited individual “angel” investors, lending institutions, and other relevant sources.

(d) Eligibility. For-profit Vermont businesses are eligible under the Fast Capital Investment Program except where other significant State appropriated Coronavirus Relief Fund program resources have been directed. These excluded sectors include:

(A) traditional in-person retail operations;

(B) lodging, hospitality, and real estate operations; and

(C) restaurants and food service operations.

Sec. ~~114~~ 10 V.S.A. § 291(b)(3) is amended to read:

(3)(A) Before the Fund makes any investments, the Fund shall have and maintain a board of five advisors who shall be appointed as follows: two shall be appointed by the Authority, two shall be appointed by the Fund manager, and one shall be appointed jointly by the Authority and the Fund manager.

(B) The appointing authorities shall coordinate their appointments to ensure that the Board comprises advisors with diverse professional and

personal backgrounds and experiences, including representation of women and BIPOC identified individuals.

(C) The Board of Advisors shall represent solely the economic interest of the State with respect to the management of the Fund and shall have no civil liability for the financial performance of the Fund.

(D) The Board of Advisors shall be advised of investments made by the Fund and shall have access to all information held by the Fund with respect to investments made by the Fund.

** * * Effective Date * * **

Sec. 2215. EFFECTIVE DATE

This act shall take effect on July 1, 2021.