

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was  
3 referred House Bill No. 159 entitled “An act relating to creating the Better  
4 Places Program” respectfully reports that it has considered the same and  
5 recommends that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

7 \*\*\* Tourism and marketing fund; seed investment;  
8 dedicated funding mechanism \*\*\*

9 Sec. 1. FINDINGS

10 (a) The General Assembly finds:

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

17 (2) According to the Vermont Department of Tourism and Marketing  
18 2019 Benchmark Study, Vermont’s tourism industry brings in \$3.0 billion into  
19 the Vermont economy, and supports over 31,000 jobs.

20 (3) When travel is safe again, Vermont will have a strategic opportunity  
21 coming out of the pandemic to encourage visitation due our abundance of open

1 space, strong cultural and outdoor recreation assets and careful management of  
2 the virus.

3 (4) Vermont has the smallest tourism marketing budget in New England.  
4 In FY20, New Hampshire’s tourism budget was \$10.8M, Massachusetts’s was  
5 \$12.9M and Maine’s was \$17.9M, compared to \$3.0M for Vermont.

6 (5) Increased investment in destination marketing will allow the  
7 Department of Tourism and Marketing to market Vermont as a global tourism  
8 destination to attract more visitors, bring economic activity to rural  
9 communities, and sustain Vermont’s iconic brand.

10 Sec. 2. 10 V.S.A. chapter 27, subchapter 4 is added to read:

11 Subchapter 4. Tourism Marketing Promotion Fund

12 § 670. TOURISM MARKETING PROMOTION FUND

13 (a)(1) There is created a Tourism Marketing Promotion Fund, within the  
14 Department of Tourism and Marketing, which the Department shall manage  
15 pursuant to 32 V.S.A. chapter 7, subchapter 5.

16 (2) The purpose of the Fund is for the Department to promote Vermont’s  
17 travel, recreation, culinary, arts, culture, agritourism, and heritage experiences  
18 to attract visitors, and stimulate visitor spending with local attractions and  
19 small businesses in rural communities and throughout the state. By using the  
20 amounts within the Fund, the Department will enhance Vermont’s image as a

1 tourist destination, increase visitor spending, and boost the revenues that are  
2 generated through the meals and rooms tax.

3 (3) It is the intent that the amounts the Fund receives from the meals and  
4 rooms tax shall be in addition to the funding regularly appropriated to the  
5 Department for tourism and marketing.

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

7 (1) 69 percent of excess revenue from the meals and rooms taxes  
8 collected as compared to the current year Consensus Revenue Forecast, and as  
9 imposed under 32 V.S.A. chapter 225; and

10 (2) any other amounts transferred or appropriated to it by the General  
11 Assembly.

12 (c) All interest earned on Fund balances shall be credited to the Fund. Any  
13 balance remaining at the end of the fiscal year shall remain in the Fund.

14 (d) Funds shall not be transferred in years when meals and rooms tax  
15 revenues are not above the current year Consensus Revenue Forecast.

16 Sec. 3. 32 V.S.A. § 435(b) is amended to read:

17 (b) The General Fund shall be composed of revenues from the following  
18 sources:

19 \* \* \*

1           (7) 69 percent of the meals and rooms taxes levied pursuant to chapter  
2           225 of this title, less the excess revenues collected above the current year  
3           Consensus Revenue Forecast.

4           Sec. 4. APRROPRIATION

5           (a) In fiscal year 2022, the amount of \$1,000,000 is appropriated from the  
6           General Fund to the Department of Tourism and Marketing.

7   \*\*\* Consumer Stimulus Program \*\*\*

8           Sec. 5. BUY LOCAL VERMONT CONSUMER STIMULUS PROGRAM

9           (a) The Department of Tourism and Marketing shall create a Buy Local  
10           Consumer Stimulus Program to:

11                   (1) re-establish and increase local consumer spending in Vermont to  
12                   support small businesses and communities recovering from the Covid-19  
13                   pandemic; and

14                   (2) provide consumer purchasing incentives that maximize the effect of  
15                   local consumer spending and bring shoppers back to Vermont's downtowns  
16                   and village centers, including at restaurants, entertainment businesses, retail  
17                   stores, and tourism attractions.

18           (b) The Department shall design and implement the Program consistent  
19           with the following:

20                   (1) The Department shall establish an enrollment period for eligible  
21                   businesses to sign up for the Program.

1           (2) An eligible business is a restaurant, retail store, or entertainment  
2           businesses and attractions that is located in a designated downtown or village  
3           center, designated by the Downtown Development Board pursuant to 24  
4           V.S.A. chapter 76A.

5           (3) The Department shall establish an enrollment period for consumers  
6           to sign up for the Program.

7           (4) At the end of the consumer enrollment period, the Department shall  
8           select consumers to receive incentives from the Program by a random lottery.

9           (5) The Department shall distribute incentives to consumers in  
10          proportion to percentage of population by county.

11          (6) A consumer who receives an incentive may choose where to redeem  
12          that incentive from one or more businesses in their county of residence, based  
13          on the number of businesses in that county participating in the Program.

14          (7) A consumer may redeem the incentives through December 31, 2022.

15          Sec. 6. APPROPRIATION

16          (a) In fiscal year 2022, the amount of \$1,000,000 is appropriated from the  
17          General Fund to the Department of Tourism and Marketing.

18                   \* \* \* Technology-Based Economic Development \* \* \*

19          Sec. 7. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

20                   PROGRAM

21          (a) Purpose.

1           (1) The COVID-19 pandemic has shown the devastating effects of over  
2           reliance on tourism and service - based economy can have on its citizens.

3           (2) The opportunity exists for Vermont to take a long-term view and  
4           approach towards strengthening its economic base by creating an environment  
5           where technology - based businesses can thrive.

6           (3) The goal is to take a long-term view towards strengthening  
7           Vermont’s economic base, to help raise the median wage, lower the overall tax  
8           burden, help Vermont business remain competitive in national and global  
9           economies, and create strategic university partnerships that further the  
10          economic development goals of the State.

11          (4) To ensure Vermont remains relevant and competitive in the global  
12          economy over the next 20 years, the Technology Based Economic  
13          Development Program is designed to strengthen our State’s economic base by  
14          providing the essential tools and resources necessary to foster a climate where  
15          technology-based businesses can be created and thrive.

16          (5) The Vermont Department of Economic Development in partnership  
17          with the UVM Office of Engagement will help Vermont businesses looking to  
18          commercialize new technologies advanced through research and development.

19          (6) It will help existing tech and advanced manufacturing companies in  
20          Vermont remain relevant in the market by strengthening collaboration between  
21          industry and higher-ed.

1           (7) In the long-term it will help Vermonters in all 14 counties who want  
2           the opportunity to work at companies on the cutting edge of innovation.

3           (b) Matching Grants and Technical Support.

4           (1) The Department of Economic Development shall contract with a  
5           technical service provider to assist Vermont-based technology companies in  
6           applying for federal small business innovation research and small business  
7           technology transfer grants.

8           (2) Eligible Vermont companies who receive a federal SBIR/STTR  
9           Phase I or II grant are eligible to apply for a matching grant from the  
10          Department of Economic Development.

11          (3) Grantees are eligible for up to 50 percent of the federal award up to  
12          \$50,000.00.

13          (4) Build and market co-location and science service opportunities at  
14          UVM (i.e., mass spectrometry and scanning electron microscope services, etc.)  
15          in areas like materials science, aerospace and environmental sensor  
16          industries.

17          (c) Industry Research Partnership Program.

18          (1) Eligible Vermont companies can apply for grants to purchase  
19          services from universities and research institutions to stimulate innovation.

1           (2) Eligible uses include research and development assistance,  
2           technology assessments, product prototyping, lab validation, and overcoming  
3           product development hurdles.

4           (3) Grantees shall provide a dollar-for-dollar match to State funding.

5           (d) Furthering Economic Development.

6           *(1) Utilizing other services and capabilities of UVM's office of*  
7           *engagement to help match students with opportunities at VT employers, enable*  
8           *and encourage alumni relocation to Vermont, and utilize data science*  
9           *capabilities to inform decisions and policy.*

10           (2) The Department of Economic Development will work with the Office  
11           of Engagement to amplify opportunities to start, grow, or relocate business to  
12           the state of Vermont.

13           (e) Outcomes; measures. The Secretary shall adopt measures to evaluate  
14           the effectiveness of the funding, including federal dollars leveraged, amount of  
15           private capital raised by participating companies, and the number of new jobs  
16           created.

17           Sec. 8. APPROPRIATION

18           In fiscal year 2022, the amount of \$1,000,000 is appropriated from the  
19           General Fund to the Department of Economic Development.

20                           \* \* \* Postsecondary CTE System \* \* \*

21           Sec. 9. 2019 Acts and Resolves No. 80, Sec. 6 is amended to read:



1                   Sec. 6. POSTSECONDARY CAREER AND TECHNICAL  
2                                   EDUCATION SYSTEM

3           (a) Findings; purpose.

4                   (1) Findings. The General Assembly finds:

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

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

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

18           (b) Postsecondary CTE System.

19                          (1) The Department of Labor, in collaboration with the Agency of  
20          Education, the Vermont State Colleges, and the Vermont Adult Technical  
21          Education Association, and any consultant the Department hires for that

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

5 (2) In performing their work, the Department, stakeholders, and any  
6 consultant shall conduct a broad-based stakeholder engagement process to  
7 solicit input from interested parties, and State agencies and departments shall  
8 provide necessary information and assistance within their relative areas of  
9 expertise.

10 (c) Report. On or before January 15, ~~2020~~ 2022, the Department of Labor  
11 shall submit a report on its work and any recommendations for legislative  
12 action to the House Committee on Commerce and Economic Development and  
13 the Senate Committee on Economic Development, Housing and General  
14 Affairs.

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

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

2           Sec. 10. 3 V.S.A. § 631 is amended to read:

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

6           (a)(1) The Secretary of Administration may contract on behalf of the State  
7           with any insurance company or nonprofit association doing business in this  
8           State to secure the benefits of franchise or group insurance. Beginning July 1,  
9           1978, the terms of coverage under the policy shall be determined under section  
10          904 of this title, but it may include:

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

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

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

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

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

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

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

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

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

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

16 \* \* \*

17 \* \* \* Better Places Program \* \* \*

18 Sec. 11. FINDINGS; INTENT AND PURPOSE

19 (a) The General Assembly finds:

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

1 exacerbated social isolation and impacted Vermonters’ quality of life and sense  
2 of community.

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

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

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

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

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

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

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

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

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

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

17 Sec. 12. 24 V.S.A. § 2799 is added to read:

18 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

19 (a)(1) There is created a Better Places Program within the Department of  
20 Housing and Community Development, and a Better Places Fund, which the  
21 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 partners.

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

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

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

9           (3) any interest earned by the Fund.

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

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

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



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

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

5 (4) The maximum amount of a grant award is \$50,000 and the minimum  
6 amount is \$5,000, ~~provided that the Department may award grants in its~~  
7 ~~discretion if necessary due to demand and availability of funds.~~

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

11 (A) A project shall include in-kind support ~~and~~ matching funds raised  
12 through a crowdfunding approach that includes multiple donors, ~~or both.~~

13 (B) An applicant may not donate to its own crowdfunding campaign  
14 ~~and shall obtain donations from community members and partners.~~

15 (C) A donor may not contribute more than \$10,000 or 35 percent of  
16 the campaign goal, whichever is less.

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

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

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

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

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

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

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

21                   \* \* \* Downtown Tax Credit Program \* \* \*

1 Sec. 13. 32 V.S.A. § 5930aa is amended to read:

2 § 5930aa. DEFINITIONS

3 As used in this subchapter:

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

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

15 (3) “Qualified code improvement project” means a project:

16 (A) to install or improve platform lifts suitable for transporting  
17 personal mobility devices, limited use or limited application elevators,  
18 elevators, sprinkler systems, and capital improvements in a qualified building,  
19 and the installations or improvements are required to bring the building into  
20 compliance with the statutory requirements and rules regarding fire prevention,

1 life safety, and electrical, plumbing, and accessibility codes as determined by  
2 the Department of Public Safety;

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

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

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

11 (5) “Qualified façade improvement project” means the rehabilitation of  
12 the façade of a qualified building that contributes to the integrity of the  
13 designated downtown ~~or~~ designated village center, or neighborhood  
14 development area. Façade improvements to qualified buildings listed, or  
15 eligible for listing, in the State or National Register of Historic Places must be  
16 consistent with Secretary of the Interior Standards, as determined by the  
17 Vermont Division for Historic Preservation.

18 \* \* \*

19 Sec. 14. 32 V.S.A. § 5930ee is amended to read:

20 § 5930ee. LIMITATIONS

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

3 (1) the total amount of tax credits awarded annually, together with sales  
4 tax reallocated under section 9819 of this title, does not exceed ~~\$3,000,000.00~~  
5 \$4,750,000.00.

6 \* \* \*

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

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

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

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

19 Sec. 15. 24 V.S.A. § 2793a is amended to read:

20 § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

21 \* \* \*

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

4 \* \* \*

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

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

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

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

15 \* \* \*

16 Sec. 16. 24 V.S.A. § 2793e is amended to read:

17 § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF  
18 NEIGHBORHOOD DEVELOPMENT AREAS

19 \* \* \*

20 (f) Neighborhood development area incentives for developers. Once a  
21 municipality has a designated neighborhood development area or has a

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

8 (1) ~~The~~ the application fee limit for wastewater applications stated in  
9 3 V.S.A. § 2822(j)(4)(D);

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

12 (3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A.  
13 § 10002(p); and

14 (4) eligibility for the Downtown and Village Center Tax Credit Program  
15 described in 32 V.S.A. § 5930aa et seq.

16 \* \* \*

17 Sec. 17. 24 V.S.A. § 2794 is amended to read:

18 § 2794. INCENTIVES FOR PROGRAM DESIGNEES

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

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

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

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

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

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

15 \* \* \*

16 **Sec. 18. REPORT**

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



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

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

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

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

10          (5) any recommended changes to the programs.

11          \*\*\* International Business Attraction and Investment Program\*\*\*

12          Sec. 19. FINDINGS

13          (a) The General Assembly finds:

14               (1) Business investment by Quebec-based businesses is expected to  
15               generate increased employment, increase the range of job opportunities for  
16               Vermonters, and increase the dynamism of our communities.

17               (2) Investments in Vermont by outside businesses will increase the rate  
18               of growth for Vermont's economy;

19               (3) Increased investments in recruiting international businesses can lead  
20               to better wages, more attractive job opportunities, and broaden Vermont's tax  
21               base.

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

4           (5) Adding a Business Attraction and Investment Program, and the  
5           capability of a foreign trade representative to provide local recruitment  
6           support, will allow the State of Vermont and its commercial entities to tap  
7           resources of institutions, enterprises, and people to a greater degree.

8           (6) A partnership with an FTR will provide the State with lead  
9           generation services, expansion monitoring, in-market representation, market  
10           intelligence, and the ability to engage and nurture high-growth companies  
11           primed for expansion.

12           Sec. 20. APPROPRIATION; REPORT

13           (a) In fiscal year 2022, the amount of \$300,000 is appropriated from the  
14           General Fund to the Department of Economic Development to provide funding  
15           for up to two years to contract with a foreign trade representative consistent  
16           with Sec. 19 of this act.

17           (b) Not less than 30 days after the first anniversary of the contract, the  
18           Agency of Commerce and Community Development shall report to the House  
19           Committee on Commerce and Economic Development and the Senate  
20           Committee on Economic Development, Housing and General Affairs  
21           concerning:

- 1           (1) the terms of the contract;
- 2           (2) the type and number of business contacts and engagement;
- 3           (3) the type of businesses, jobs, and wages brought to the State, if any;
- 4           (4) metrics to evaluate success of the contract and the representative.

5           Sec. 21. WORKFORCE TRAINING

6           In fiscal year 2022, the amount of \$2,300,000.00 is appropriated from the  
7           General Fund to the Vermont State Colleges, in coordination with the  
8           Department of Labor, for workforce training to serve Vermonters who have  
9           been impacted by the COVID-19 pandemic through layoffs, furloughs, reduced  
10           hours, or due to being employed in an industry that has been severely affected,  
11           as follows:

12           (1) Welcome Home Scholarships. \$4,000,000 to provide scholarships  
13           of \$5,000 per year or \$2,500 per semester for full-time students enrolled for 12  
14           or more credits, or \$3,000 per year or \$1,500 per semester for part-time  
15           students, to Vermonters transferring from out-of-state institutions or returning  
16           to school after exiting in 2020-2021. This program's mission is to incentivize  
17           students to come home to Vermont by transferring to VSCS institutions and to  
18           complete their degree if they left school without finishing in 2020-2021.

19           (2) Degree Completion Program. \$3,000,000 to provide scholarships  
20           for up to 30 credits towards a credential of value for adult learners who have

1 earned at least 40 credits towards an undergraduate degree and have a gap in  
2 attendance of at least two years.

3 (3) Critical Occupations; Graduate Internship Scholarships. \$2,000,000  
4 to provide scholarships for up to 12 credits and compensation of \$15 per hour  
5 for up to 240 hours per semester for graduate students who are required to  
6 fulfill an internship or practicum requirement for a graduate degree in  
7 education or mental health counseling.

8 (4)  
9

10 Sec. 22. MICROBUSINESS DEVELOPMENT PROGRAM

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

15 (b) In fiscal year 2022, the amount of X is appropriated from the General  
16 Fund to the Microbusiness Development Program to provide grants to eligible  
17 applicants for new business start-ups.

18 Sec. 23. EFFECTIVE DATE

19 This act shall take effect on passage.  
20  
21

1

2

3 (Committee vote: \_\_\_\_\_)

4

\_\_\_\_\_

5

Representative \_\_\_\_\_

6

FOR THE COMMITTEE