

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to  
3 which was referred House Bill 159 entitled “An act relating to community and  
4 economic development and workforce revitalization” respectfully reports that  
5 it has considered the same and recommends that the bill be amended by  
6 striking out all after the enacting clause and inserting in lieu thereof the  
7 following:

8 \* \* \* Purpose \* \* \*

9 Sec. 1. PURPOSE

10 The purpose of this act is to address the negative economic impacts of  
11 COVID-19 on Vermont’s economy, employers, workers, and families while  
12 simultaneously leveraging opportunities to grow Vermont’s economy.

13 \* \* \* Relocating Employee Incentives \* \* \*

14 Sec. 2. 10 V.S.A. § 4 is amended to read:

15 § 4. NEW RELOCATING EMPLOYEE INCENTIVES

16 (a) The Agency of Commerce and Community Development shall design  
17 and implement a program to award incentive grants to relocating employees as  
18 provided in this section and subject to the policies and procedures the Agency  
19 adopts to implement the program.

20 (b) A relocating employee may be eligible for a grant under the program  
21 for qualifying expenses, subject to the following:

1 (1) A base grant shall not exceed \$5,000.00.

2 (2) The Agency may award an enhanced grant, which shall not exceed  
3 \$7,500.00, for a relocating employee who becomes a resident in a labor market  
4 area in this State in which:

5 (A) the average annual unemployment rate in the labor market area  
6 exceeds the average annual unemployment rate in the State; or

7 (B) the average annual wage in the State exceeds the annual average  
8 wage in the labor market area.

9 (c) The Agency shall:

10 (1) adopt procedures for implementing the program, which shall include  
11 a simple certification process to certify relocating employees and qualifying  
12 expenses;

13 (2) promote awareness of the program, including through coordination  
14 with relevant trade groups and by integration into the Agency's economic  
15 development marketing campaigns;

16 (3) ~~award grants to relocating employees on a first come, first served~~  
17 ~~basis beginning on July 1, 2021, subject to available funding~~ adopt procedures  
18 to initially approve an applicant for a grant after verifying a relocating  
19 employee's eligibility and to make final payment of a grant after verifying that  
20 the relocating employee has completed relocation to this State; and

1           (4) adopt measurable goals, performance measures, and an audit strategy  
2 to assess the utilization and performance of the program.

3           (d) ~~On~~ Annually, on or before January 15, ~~2022~~, the Agency shall submit a  
4 report to the House Committee on Commerce and Economic Development and  
5 the Senate Committee on Economic Development, Housing and General  
6 Affairs concerning the implementation of this section, including:

7           (1) a description of the policies and procedures adopted to implement  
8 the program;

9           (2) the promotion and marketing of the program; and

10           (3) an analysis of the utilization and performance of the program,  
11 including the projected revenue impacts and other qualitative and quantitative  
12 returns on investment in the program based on available data and modeling.

13           (e) As used in this section:

14           (1) “Qualifying expenses” means the actual costs a relocating employee  
15 incurs for relocation expenses, which may include moving costs, closing costs  
16 for a primary residence, rental security deposit, one month’s rent payment, and  
17 other relocation expenses established in Agency guidelines.

18           (2) “Relocating employee” means an individual who meets the  
19 following criteria:

20           (A)(i) On or after July 1, 2021:

21           (I) the individual becomes a full-time resident of this State;

1 (II) the individual becomes a full-time employee at a Vermont  
2 location of a for-profit or nonprofit business organization domiciled or  
3 authorized to do business in this State, or of a State, municipal, or other public  
4 sector employer; and

5 (III) ~~the individual becomes employed in one of the~~  
6 ~~“Occupations with the Most Openings” identified by the Vermont Department~~  
7 ~~of Labor in its “Short Term Employment Projections 2020-2022”; and~~

8 (IV) the employer attests to the Agency that, after reasonable  
9 time and effort, the employer was unable to fill the employee’s position from  
10 among Vermont applicants; or

11 (ii) on or after February 1, 2022:

12 (I) the individual becomes a full-time resident of this State; and

13 (II) the individual is a full-time employee of an out-of-state  
14 business and performs the majority of his or her employment duties remotely  
15 from a home office or a co-working space located in this State.

16 (B) The individual receives gross salary or wages that equal or  
17 exceed the Vermont livable wage rate calculated pursuant to 2 V.S.A. § 526.

18 (C) The individual is subject to Vermont income tax.

1       Sec. 3. THINK VERMONT REGIONAL RECRUITMENT AND  
2                   RELOCATION NETWORK

3           (a) Regional recruitment and relocation network. The Department of  
4       Tourism and Marketing shall launch and lead a coordinated regional relocation  
5       network to facilitate the successful recruitment and relocation of individuals to  
6       Vermont. Capacity will be built into the Department of Tourism and  
7       Marketing to facilitate lead generation and support a network of regional and  
8       local entities embedded in their communities who will act as resource  
9       coordinators to transform leads into permanent residents. These network  
10       partners will be responsible for providing quick, customized information,  
11       resources, and referrals. The network will be designed to:

12           (1) leverage all available State and federal resources;

13           (2) provide a regionally customized customer support pathway for  
14       potential residents;

15           (3) receive, respond to, and track leads generated by State marketing  
16       efforts;

17           (4) ensure that every inquiry is responded to in a timely, appropriate  
18       way in support of future employment and successful relocation;

19           (5) collaborate with regional employers on their recruitment efforts to  
20       maximize the sharing of information about employment opportunities and  
21       promote placements or matching of applicants;

1           (6) track, share, and report information between other regional contacts,  
2           State agencies, and departments; and

3           (7) evolve and respond to new needs and resources.

4           (b) System infrastructure.

5           (1) The Department will establish a competitive RFP process, with the  
6           goal of contracting with an entity, based on responses received, in each of 12  
7           designated regions. The competitive process will help the Department ensure  
8           that there is capacity within responding entities to perform the scope of work  
9           required.

10           (2) The Department will score the RFP responses and utilize a scoring  
11           system to choose a partner entity in each region of the State.

12           (3) The Department will create one (1) full-time staff position in order  
13           to maintain oversight and management of the regional network and report on  
14           outcomes and relocation services delivered.

15           (4) The regional network shall be integrated into current recruitment  
16           efforts to maximize existing tools such as ThinkVermont.com.

17           (5) The Department will leverage its existing programmatic footprint to  
18           ensure that relocation assistance is available in every region of the State.

19           (6) To the extent possible, the regional relocation network will not  
20           duplicate or replace existing public or private recruitment programs.

1           (7) The Department shall work to coordinate and enhance these efforts  
2           to create a wraparound system of support, information, and recordkeeping.

3           (c) Coordination. The Department shall coordinate with statewide and  
4           community-based organizations, as well as Agencies and Departments in State  
5           government, including but not limited to the Department of Labor, the Agency  
6           of Human Services, Vocational Rehabilitation, Regional Development  
7           Corporations and Regional Planning Commissions, and statewide and local  
8           chambers of commerce.

9           (d) Promotion and marketing.

10           (1) The Department shall promote Vermont as a relocation destination  
11           to attract new residents to the State and generate leads for the regional  
12           relocation network.

13           (2) The Department shall use a mix of marketing tactics, each with  
14           specific benchmarks to define success, including:

15           (A) secure and maintain positive earned media coverage in national,  
16           regional, and other news media;

17           (B) extend the reach of positive news coverage through owned media  
18           channels;

19           (C) utilize paid media opportunities to advertise Vermont as a place  
20           to live, work, visit, and do business; and

1           (D) utilize targeting techniques to reach key populations in high  
2           demand occupations in sectors facing workforce shortages in Vermont as well  
3           as individuals of diverse backgrounds.

4           (e) Report. The Department shall include the following metrics in addition  
5           to a progress update and any recommendations annually to the General  
6           Assembly:

7           (1) the number of inquiries received and individuals served in each  
8           region, by region; and

9           (2) employment and relocation status data on all individuals served.

10          (f) Implementation. The Department of Tourism and Marketing shall  
11          launch the RFP and select regional network partners based on the responses on  
12          or before November 15, 2022.

13                           \* \* \* Capital Investment Grant Program \* \* \*

14          Sec. 4. 2021 Acts and Resolves No. 74, Sec. H.18 is amended to read:

15                  Sec. H.18 CAPITAL INVESTMENT GRANT PROGRAM

16                  (a) Creation; purpose; regional outreach.

17                       (1) The Agency of Commerce and Community Development shall use  
18                       the \$10,580,000 appropriated to the Department of Economic Development in  
19                       Sec. G.300(a)(12) of this act to design and implement a capital investment  
20                       grant program consistent with this section.



1           (2) The purpose of the program is to make funding available for  
2 transformational projects that will provide each region of the State with the  
3 opportunity to attract businesses, retain existing businesses, create jobs, and  
4 invest in their communities by encouraging capital investments and economic  
5 growth.

6           (3) The Agency shall collaborate with other State agencies, regional  
7 development corporations, regional planning commissions, and other  
8 community partners to identify potential regional applicants and projects to  
9 ensure the distribution of grants throughout the regions of the State.

10          (b) Eligible applicants.

11           (1) To be eligible for a grant, an applicant shall comply with the  
12 Department of Treasury Final Rule implementing the Coronavirus State and  
13 Local Fiscal Recovery Funds established under the American Rescue Plan Act  
14 and meet the following criteria:

15           (A) The applicant is located within this State.

16           (B) The applicant is:

17           (i)(I) a for-profit entity with not less than a 10 percent equity  
18 interest in the project; or

19           (II) a nonprofit entity; and

20           (ii) grant funding from the Program represents not more than ~~50~~  
21 20 percent of the total project cost.

- 1 (C) The applicant demonstrates:
- 2 (i) community and regional support for the project;
- 3 (ii) that grant funding is needed to complete the project;
- 4 (iii) leveraging of additional sources of funding from local, State,
- 5 or federal economic development programs; and
- 6 (iv) an ability to manage the project, with requisite experience and
- 7 a plan for fiscal viability.

8 (2) The following are ineligible to apply for a grant:

- 9 (A) a State or local government-operated business;
- 10 (B) a municipality;
- 11 (C) a business that, together with any affiliated business, owns or
- 12 operates more than 20 locations, regardless of whether those locations do
- 13 business under the same name or within the same industry; and
- 14 (D) a ~~publicly-traded~~ publicly traded company.

15 (c) Awards; amount; eligible uses.

16 (1) An award shall not exceed the lesser of ~~\$1,500,000.00~~ \$1,000,000 or

17 ~~the estimated net State fiscal impact of the project based on Agency modeling~~

18 20 percent of the total project cost.

19 (2) A recipient may use grant funds for the acquisition of property and

20 equipment, construction, renovation, and related capital expenses.

1           (3) A recipient may combine grant funds with funding from other  
2 sources but shall not use grant funds from multiple sources for the same costs  
3 within the same project.

4           (4) The Agency shall release grant funds upon determining that the  
5 applicant has met all Program conditions and requirements.

6           (5) Nothing in this section is intended to prevent a grant recipient from  
7 applying for additional grant funds if future amounts are appropriated for the  
8 program.

9           ~~(d) Data model; approval.~~

10           ~~(1) The Agency shall collaborate with the Legislative Economist to~~  
11 ~~design a data model and related methodology to assess the fiscal, economic,~~  
12 ~~and societal impacts of proposals and prioritize them based on the results.~~

13           ~~(2) The Agency shall present the model and related methodology to the~~  
14 ~~Joint Fiscal Committee for its approval not later than September 1, 2021.~~

15           (e) Application process; decisions; awards.

16           (1)(A) The Agency shall accept applications on a rolling basis for three-  
17 month periods and shall review and consider for approval the group of  
18 applications it has received as of the conclusion of each three-month period.

19           (B) The Agency shall make application information available to the  
20 Legislative Economist and the Executive Economist in a timely manner.

1           ~~(2) Using the data model and methodology approved by the Joint Fiscal~~  
2           ~~Committee, the Agency shall analyze the information provided in an~~  
3           ~~application to estimate the net State fiscal impact of a project, including the~~  
4           ~~following factors:~~

5                   ~~(A) increase to grand list value;~~

6                   ~~(B) improvements to supply chain;~~

7                   ~~(C) jobs impact, including the number and quality of jobs; and~~

8                   ~~(D) increase to State GDP.~~

9           (3) The Secretary of Commerce and Community Development shall  
10           appoint an interagency team, which may include members from among the  
11           Department of Economic Development, the Department of Housing and  
12           Community Development, the Agency of Agriculture, Food and Markets, the  
13           Department of Public Service, the Agency of Natural Resources, or other State  
14           agencies and departments, which team shall review, analyze, and recommend  
15           projects for funding consistent with the guidelines the Agency develops in  
16           coordination with the legislative Joint Fiscal Office and approved by the Joint  
17           Fiscal Committee and based on ~~the estimated net State fiscal impact of a~~  
18           ~~project and on other contributing factors, including~~ the following:

19                   (A) transformational nature of the project for the region;

20                   (B) project readiness, quality, and demonstrated collaboration with  
21           stakeholders and other funding sources;

1 (C) alignment and consistency with regional plans and priorities; and

2 (D) creation and retention of workforce opportunities.

3 (4) The Secretary of Commerce and Community Development shall  
4 consider the recommendations of the interagency team and shall give final  
5 approval to projects.

6 (f) Grant agreements; post award monitoring.

7 (1) If selected by the Secretary, the applicant and the Agency shall  
8 execute a grant agreement that includes audit provisions and minimum  
9 requirements for the maintenance and accessibility of records that ensures that  
10 the Agency and the Auditor of Accounts have access and authority to monitor  
11 awards.

12 (2) The Agency shall publish on its website not later than 30 days after  
13 approving an award a brief project description, the name of the grantee, and the  
14 amount of a grant.

15 (g) Report. On or before ~~December 15, 2021~~ February 15, 2023, the  
16 Agency shall submit a report to the House Committee on Commerce and  
17 Economic Development and the Senate Committee on Economic  
18 Development, Housing and General Affairs concerning the implementation of  
19 this section, including:

20 (1) a description of the implementation of the program;

21 (2) the promotion and marketing of the program;

1 (3) an analysis of the utilization and performance of the program;  
2 ~~including the projected revenue impacts and other qualitative and quantitative~~  
3 ~~returns on investment in the program based on available data and modeling.~~

4 (h) Implementation.

5 (1) The Agency of Commerce and Community Development shall  
6 consult with the legislative Joint Fiscal Office to develop guidelines and  
7 approval processes for the Capital Investment Grant Program and shall submit  
8 the proposed guidelines and processes to the Joint Fiscal Committee for  
9 approval prior to accepting applications for grants through the Program.

10 (2) When considering whether and how to prioritize economic sectors  
11 that have suffered economic harm due to the COVID-19 pandemic, the Agency  
12 may designate one or more sectors for priority consideration through the  
13 Program, including the arts and culture, travel, lodging, tourism, and child care  
14 sectors.

15 \* \* \* VEDA Short-term Forgivable Loans \* \* \*

16 Sec. 5. VEDA SHORT-TERM FORGIVABLE LOANS

17 (a) The Vermont Economic Development Authority shall create the  
18 Forgivable Loan Program to support Vermont businesses experiencing  
19 continued working capital shortfalls as a result of the COVID-19 public health  
20 emergency.

1        (b) Eligible borrowers are for-profit and nonprofit businesses with fewer  
2        than 500 employees located in Vermont and in operation on January, 27, 2020  
3        that can identify economic harm caused by or exacerbated by the pandemic.

4            (1) An applicant may demonstrate economic harm from lost revenue;  
5        increased costs; challenges covering payroll, rent or mortgage interest; or other  
6        operating costs that threaten the capacity of the business to whether financial  
7        hardships and result in general financial insecurity due to the COVID-19  
8        public health emergency.

9            (2) The Authority shall measure economic harm by a material decline in  
10       the applicant’s annual adjusted net operating income before the COVID-19  
11       public health emergency relative to its annual adjusted net operating income  
12       during the COVID-19 public health emergency.

13           (3) When assessing an applicant’s adjusted net operating income, the  
14       Authority shall consider previous COVID-19 State and federal subsidies,  
15       reasonable owner’s compensation, noncash expenses, and other adjustments  
16       deemed appropriate.

17           (c) A loan recipient may use loan proceeds to pay for eligible operating  
18       expenses but shall not use the proceeds for capital expenditures.

19           (d) A loan shall not exceed the lesser of \$250,000.00 or six months of  
20       eligible operating expenses based on historical financial performance prior to  
21       the COVID-19 public health emergency and the cumulative decline in adjusted

1 net operating income during the COVID-19 public health emergency, and the  
2 Authority shall not consider the amount of an employer's reduced  
3 compensation that exceeds \$100,000.00.

4 (e) The Authority shall approve loan forgiveness based on documentation  
5 evidencing loan proceeds were used to pay for eligible operating expenses.

6 (f) The Vermont Economic Development Authority shall consult with the  
7 legislative Joint Fiscal Office to develop guidelines and approval processes for  
8 the VEDA Forgivable Loan Program and shall submit the proposed guidelines  
9 and processes to the Joint Fiscal Committee for approval prior to accepting  
10 applications for grants through the Program.

11 (g) When considering whether and how to prioritize economic sectors that  
12 have suffered economic harm due to the COVID-19 pandemic, the Agency of  
13 Commerce and Community Development may designate one or more sectors  
14 for priority funding through the Program, including the arts and culture, travel,  
15 lodging, tourism, and child care sectors.

16 \* \* \* Project-Based Tax Increment Financing \* \* \*

17 Sec. 6. 24 V.S.A. 1892(d) is amended to read:

18 (d) The following municipalities have been authorized to use education tax  
19 increment financing for a tax increment financing district:

- 20 (1) the City of Burlington, Downtown;  
21 (2) the City of Burlington, Waterfront;



- 1 (3) the ~~Town of Milton, North and South~~ Town of Bennington;
- 2 (4) the ~~City of Newport~~ City of Montpelier;
- 3 (5) the City of Winooski;
- 4 (6) the ~~Town of Colechester~~;
- 5 ~~(7) the~~ Town of Hartford;
- 6 ~~(8)(7)~~ the City of St. Albans;
- 7 ~~(9)(8)~~ the City of Barre;
- 8 ~~(10)(9)~~ the Town of Milton, Town Core; and
- 9 ~~(11)(10)~~ the City of South Burlington.

10 Sec. 7. 32 V.S.A. § 5404a is amended to read:

11 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT  
12 FINANCING DISTRICTS

13 (a) A tax agreement or exemption shall affect the education property tax  
14 grand list of the municipality in which the property subject to the agreement is  
15 located if the agreement or exemption is:

16 \* \* \*

17 (b)(1) An agreement affecting the education property tax grand list defined  
18 under subsection (a) of this section shall reduce the municipality's education  
19 property tax liability under this chapter for the duration of the agreement or  
20 exemption without extension or renewal, and for a maximum of 10 years. A  
21 municipality's property tax liability under this chapter shall be reduced by any

1 difference between the amount of the education property taxes collected on the  
2 subject property and the amount of education property taxes that would have  
3 been collected on such property if its fair market value were taxed at the  
4 equalized nonhomestead rate for the tax year.

5 (2) Notwithstanding any other provision of law, if a municipality has  
6 entered into an agreement that reduces the municipality’s education property  
7 tax liability under this chapter and the municipality establishes a tax increment  
8 financing district under 24 V.S.A. chapter 53, subchapter 5, the municipality’s  
9 municipal and education tax increment shall be calculated based on the  
10 assessed value of the properties in the municipality’s grand list and not on the  
11 stabilized value.

12 \* \* \*

13 (f) A municipality that establishes a tax increment financing district under  
14 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties  
15 contained within the district and apply not more than 70 percent of the State  
16 education property tax increment, and not less than 85 percent of the municipal  
17 property tax increment, to repayment of financing of the improvements and  
18 related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by  
19 the Vermont Economic Progress Council pursuant to this section, subject to the  
20 following:

1           (1) In a municipality with one or more approved districts, the Council  
2 shall not approve an additional district until the municipality retires the debt  
3 incurred for all of the districts in the municipality.

4           (2) The Council shall not approve more than ~~six~~ four districts in the  
5 State, and not more than two per county, provided:

6           (A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted  
7 against the limits imposed in this subdivision (2).

8           (B) The Council shall consider complete applications in the order  
9 they are submitted, except that if during any calendar month the Council  
10 receives applications for more districts than are actually available in a county,  
11 the Council shall evaluate each application and shall approve the application  
12 that, in the Council's discretion, best meets the economic development needs  
13 of the county.

14           (C) If, while the General Assembly is not in session, the Council  
15 receives applications for districts that would otherwise qualify for approval  
16 but, if approved, would exceed the ~~six-district~~ four-district limit in the State,  
17 the Council shall make one or more presentations to the Emergency Board  
18 concerning the applications, and the Emergency Board may, in its discretion,  
19 increase the six-district limit.

20           (D) The Council shall not approve more than one district in  
21 Bennington County and one district in Washington County.

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\* \* \*

(4) In any year that the assessed valuation of real property in a district decreases in comparison to the original taxable value of the real property in a district, a municipality shall pay the amount equal to the tax calculated based on the original taxable value to the Education Fund.

\* \* \*

(h) To approve utilization of incremental revenues pursuant to subsection (f) of this section:

\* \* \*

(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least three of the following five criteria:

\* \* \*

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. In the case of a brownfield, the Vermont Economic Progress Council is authorized to adopt rules pursuant to subsection (j) of this section to clarify what is a reasonable improvement, as defined in 24 V.S.A. § 1891, to remediate and stimulate the development or redevelopment in the district. As used in this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be

1 present, and that situation is likely to complicate the expansion, development,  
2 redevelopment, or reuse of the property.

3 \* \* \*

4 Sec. 8. TAX INCREMENT FINANCING PROJECT DEVELOPMENT;  
5 PILOT PROGRAM

6 (a) Definitions. As used in this section:

7 (1) “Committed” means pledged and appropriated for the purpose of the  
8 current and future payment of tax increment financing and related costs as  
9 defined in this section.

10 (2) “Coordinating agency” means any public or private entity from  
11 outside the municipality’s departments or offices and not employing the  
12 municipality’s staff, which has been designated by a municipality to administer  
13 and coordinate a project during creation, public hearing process, approval  
14 process, or administration and operation during the life of the project,  
15 including overseeing infrastructure development, real property development  
16 and redevelopment, assisting with reporting, and ensuring compliance with  
17 statute and rule.

18 (3) “Financing” means debt incurred, including principal, interest, and  
19 any fees or charges directly related to that debt, or other instruments or  
20 borrowing used by a municipality to pay for improvements and related costs  
21 for the approved project, only if authorized by the legal voters of the

1 municipality in accordance with 24 V.S.A. § 1894. Payment for eligible  
2 related costs may also include direct payment by the municipality using the  
3 district increment. However, such anticipated payments shall be included  
4 in the vote by the legal voters of the municipality in accordance with  
5 subsection (f) of this section. If interfund loans within the municipality are  
6 used as the method of financing, no interest shall be charged. Bond  
7 anticipation notes may be used as a method of financing and may qualify as a  
8 municipality’s first incurrence of debt. A municipality that uses a bond  
9 anticipation note during the third or sixth year that a municipality may incur  
10 debt pursuant to subsection (f) of this section shall incur all permanent  
11 financing not more than one year after issuing the bond anticipation note.

12 (4) “Improvements” means the installation, new construction, or  
13 reconstruction of infrastructure that will serve a public purpose, including  
14 utilities, transportation, public facilities and amenities, land and property  
15 acquisition and demolition, brownfield remediation, and site preparation.  
16 “Improvements” also means the funding of debt service interest payments for a  
17 period of up to five years, beginning on the date on which the first debt is  
18 incurred.

19 (5) “Legislative body” means the mayor and alderboard, the city  
20 council, the selectboard, and the president and trustees of an incorporated  
21 village, as appropriate.

1           (6) “Municipality” means a city, town, or incorporated village.

2           (7) “Nexus” means the causal relationship that must exist between the  
3 improvements and the expected development and redevelopment in the TIF  
4 Project Zone or the expected outcomes in the TIF Project Zone.

5           (8) “Original taxable value” means the total valuation as determined in  
6 accordance with 32 V.S.A. chapter 129 of all taxable real property located  
7 within the project as of the creation date, provided that no parcel within the  
8 project shall be divided or bisected.

9           (9) “Project” means a public improvement, as defined in subdivision (4)  
10 of this subsection, with a total debt ceiling, including related costs, and  
11 principal and interest payments, of not more than \$5,000,000.00. A project  
12 must:

13           (A) Clearly require substantial public investment over and above the  
14 normal municipal operating or bonded debt expenditures.

15           (B) Only include public improvements that are integral to the  
16 expected private development.

17           (C) Meet one of the following four criteria:

18           (i) The development includes new or rehabilitated affordable  
19 housing, as defined in 24 V.S.A. § 4303.

20           (ii) The project will affect the remediation and redevelopment of a  
21 brownfield located within the district. As used in this section, “brownfield”

1 means an area in which a hazardous substance, pollutant, or contaminant is or  
2 may be present, and that situation is likely to complicate the expansion,  
3 development, redevelopment, or reuse of the property.

4 (iii) The development will include at least one entirely new  
5 business or business operation or expansion of an existing business within the  
6 project, and this business will provide new, quality, full-time jobs that meet or  
7 exceed the prevailing wage for the region as reported by the Department of  
8 Labor.

9 (iv) The development will enhance transportation by creating  
10 improved traffic patterns and flow or creating or improving public  
11 transportation systems.

12 (10) “Related costs” means expenses incurred and paid by the  
13 municipality, exclusive of the actual cost of constructing and financing  
14 improvements, that are directly related to the creation and implementation of  
15 the project, including reimbursement of sums previously advanced by the  
16 municipality for those purposes. Related costs may not include direct  
17 municipal expenses such as departmental or personnel costs.

18 (11) “TIF project zone” means an area located within one or more active  
19 designations approved by the Vermont Downtown Development Board under  
20 24 V.S.A. chapter 76A, or located within an industrial park as defined in



1 10 V.S.A. § 212(7), for the parcels in a municipality that have nexus to the  
2 project.

3 (b) Pilot program. Beginning on January 1, 2023 and ending on December  
4 31, 2027, the Vermont Economic Progress Council is authorized to approve a  
5 total of not more than four tax increment financing projects, with not more  
6 than three projects per year; provided, however, that there shall not be more  
7 than one project per municipality.

8 (c) General authority. Under the pilot program established in  
9 subsection (b) of this section, a municipality, upon approval of its  
10 legislative body, may apply to the Vermont Economic Progress Council  
11 pursuant to the process set forth in subsection (e) of this section to use tax  
12 increment financing for a project.

13 (d) Eligibility.

14 (1) A municipality is only authorized to apply for a project under this  
15 section if:

16 (A) the project will serve one or more active designations approved  
17 by the Vermont Downtown Development Board under 24 V.S.A. chapter 76A,  
18 or is located within an industrial park as defined in 10 V.S.A. § 212(7); and

19 (B) the proposed infrastructure improvements and the projected  
20 development or redevelopment are compatible with confirmed municipal and  
21 regional development plans and the project has clear local and regional

1 significance for employment, housing, brownfield remediation, or  
2 transportation improvements.

3 (2) A municipality with an approved tax increment financing district as  
4 set forth in 24 V.S.A. 1892(d) is not authorized to apply for a project under this  
5 section.

6 (e) Approval process. The Vermont Economic Progress Council shall do  
7 all of the following to approve an application submitted pursuant to  
8 subsection (c) of this section:

9 (1)(A) Review each application to determine that the infrastructure  
10 improvements proposed to serve the project and the proposed development in  
11 the project would not have occurred as proposed in the application, or would  
12 have occurred in a significantly different and less desirable manner than as  
13 proposed in the application, but for the proposed utilization of the incremental  
14 tax revenues.

15 (B) The review shall take into account:

16 (i) the amount of additional time, if any, needed to complete the  
17 proposed development for the project and the amount of additional cost that  
18 might be incurred if the project were to proceed without education property tax  
19 increment financing;

20 (ii) how the proposed project components and size would differ, if  
21 at all, including, if applicable to the project, in the number of units of

1 affordable housing, as defined in 24 V.S.A. § 4303, without education property  
2 tax increment financing; and

3 (iii)(I) the amount of additional revenue expected to be generated  
4 as a result of the proposed project;

5 (II) the percentage of that revenue that shall be paid to the  
6 Education Fund;

7 (III) the percentage that shall be paid to the municipality; and

8 (IV) the percentage of the revenue paid to the municipality that  
9 shall be used to pay financing incurred for development of the project.

10 (2) Process requirements. Determine that each application meets all of  
11 the following requirements:

12 (A) The municipality held public hearings and established a project.

13 (B) The municipality has developed a tax increment financing project  
14 plan, including a project description; a development financing plan; a pro  
15 forma projection of expected costs; a projection of revenues; a statement and  
16 demonstration that the project would not proceed without the allocation of a  
17 tax increment; evidence that the municipality is actively seeking or has  
18 obtained other sources of funding and investment; and a development schedule  
19 that includes a list, a cost estimate, and a schedule for public improvements  
20 and projected private development to occur as a result of the improvements.

21 The creation of the project shall occur at 12:01 a.m. on April 1 of the calendar

1 year the municipal legislative body votes to approve the tax increment  
2 financing project plan.

3 (C) the municipality has approved or pledged the utilization of  
4 incremental municipal tax revenues for the purposes of the project in the  
5 proportion set for in subdivision (i)(2) of this section.

6 (f) Incurring indebtedness.

7 (1) A municipality approved under the process set forth in subsection (e)  
8 of this section may incur indebtedness against revenues to provide funding to  
9 pay for improvements and related costs for tax increment financing project  
10 development.

11 (2) Notwithstanding any provision of any municipal charter, the  
12 municipality shall only require one authorizing vote to incur debt through one  
13 instance of borrowing to finance or otherwise pay for the tax increment  
14 financing project improvements and related costs; provided, however, that a  
15 municipality may present one or more subsequent authorization votes in the  
16 event a vote fails. The municipality shall be authorized to incur indebtedness  
17 only after the legal voters of the municipality, by a majority vote of all voters  
18 present and voting on the question at a special or annual municipal meeting  
19 duly warned for the purpose, authorize the legislative body to pledge the credit  
20 of the municipality, borrow, or otherwise secure the debt for the specific  
21 purposes so warned. The creation of the project shall occur at 12:01 a.m. on

1 April 1 of the calendar year the municipal legislative body votes to approve the  
2 tax increment financing project plan.

3 (3) Any indebtedness shall be incurred within three years from the date  
4 of approval by the Vermont Economic Progress Council, unless the Vermont  
5 Economic Progress Council grants an extension of an additional three years  
6 pursuant to the substantial change process set forth in the 2015 TIF Rule;  
7 provided, however, that an updated plan is submitted prior to the three-year  
8 termination date of the project.

9 (g) Original taxable value. As of the date the project is approved by the  
10 legislative body of the municipality, the lister or assessor for the municipality  
11 shall certify the original taxable value and shall certify to the legislative body  
12 in each year thereafter during the life of the project the amount by which the  
13 total valuation as determined in accordance with 32 V.S.A. chapter 129 of all  
14 taxable real property located within the project has increased or decreased  
15 relative to the original taxable value.

16 (h) Tax increments.

17 (1) In each year following the approval of the project, the lister or  
18 assessor shall include not more than the original taxable value of the real  
19 property in the assessed valuation upon which the treasurer computes the rates  
20 of all taxes levied by the municipality and every other taxing district in which  
21 the project is situated, but the treasurer shall extend all rates so determined

1 against the entire assessed valuation of real property for that year. In each year  
2 for which the assessed valuation exceeds the original taxable value, the  
3 municipality shall hold apart, rather than remit to the taxing districts, that  
4 proportion of all taxes paid that year on the real property within the project that  
5 the excess valuation bears to the total assessed valuation. The amount held  
6 apart each year is the “tax increment” for that year. Not more than the  
7 percentages established pursuant to subsection (i) of this section of the  
8 municipal and State education tax increments received with respect to the  
9 project and committed for the payment for financing for improvements and  
10 related costs shall be segregated by the municipality in a special tax increment  
11 financing project account and in its official books and records until all capital  
12 indebtedness of the project has been fully paid. The final payment shall be  
13 reported to the treasurer, who shall thereafter include the entire assessed  
14 valuation of the project in the assessed valuations upon which municipal and  
15 other tax rates are computed and extended, and thereafter no taxes from the  
16 project shall be deposited in the project’s tax increment financing account.

17 (2) In each year, a municipality shall remit not less than the aggregate  
18 original taxable value to the Education Fund.

19 (3) Notwithstanding any charter provision or other provision, all  
20 property taxes assessed within a project shall be subject to the provision of  
21 subdivision (1) of this subsection. Special assessments levied under 24 V.S.A.

1 chapter 76A or 87 or under a municipal charter shall not be considered  
2 property taxes for the purpose of this section if the proceeds are used  
3 exclusively for operating expenses related to properties within the project and  
4 not for improvements within the district as defined in subdivision (a)(3) of this  
5 section.

6 (4) Amounts held apart under subdivision (1) of this subsection shall  
7 only be used for financing and related costs as defined in subsection (a) of this  
8 section.

9 (i) Use of tax increment.

10 (1) Education property tax increment. For only debt incurred within the  
11 period permitted under subdivision (e)(3) of this section after approval of the  
12 project, up to 70 percent of the education tax increment may be retained for up  
13 to 20 years, beginning with the education tax increment generated the year in  
14 which the first debt incurred for the project financed in whole or in part with  
15 incremental education property tax revenue. Upon incurring the first debt, a  
16 municipality shall notify the Department of Taxes and the Vermont Economic  
17 Progress Council of the beginning of the 20-year retention period of the  
18 education tax increment.

19 (2) Use of the municipal property tax increment. For only debt incurred  
20 within the period permitted under subdivision (e)(3) of this section after  
21 approval of the project, not less than 85 percent of the municipal tax increment

1 shall be retained to service the debt, beginning the first year in which debt is  
2 incurred, pursuant to subdivision (1) of this subsection.

3 (3) The Vermont Economic Progress Council shall determine there is a  
4 nexus between the improvement and the expected development and  
5 redevelopment for the project and expected outcomes in the TIF Project Zone.

6 (j) Distribution. Of the municipal and education tax increments received in  
7 any tax year that exceed the amounts committed for the payment of the  
8 financing for improvements and related costs for the project, equal portions of  
9 each increment may be retained for the following purposes: prepayment of  
10 principal and interest on the financing, placed in a special account required by  
11 subdivision (g)(1) of this section and used for future financing payments or  
12 used for defeasance of the financing. Any remaining portion of the excess  
13 municipal tax increment shall be distributed to the city, town, or village  
14 budget, in the proportion that each budget bears to the combined total of the  
15 budgets, unless otherwise negotiated by the city, town, or village, and any  
16 remaining portion of the excess education tax increment shall be distributed to  
17 the Education Fund.

18 (k) Information reporting. Every municipality with an approved project  
19 pursuant to this section shall:



1           (1) Develop a system, segregated for the project, to identify, collect, and  
2           maintain all data and information necessary to fulfill the reporting  
3           requirements of this section, including performance measures.

4           (2) Provide, as required by events, notification to the Vermont  
5           Economic Progress Council and the Department of Taxes regarding any tax  
6           increment financing development project debt obligations, public votes, or  
7           votes by the municipal legislative body immediately following such obligation  
8           or vote on a form prescribed by the Council, including copies of public notices,  
9           agendas, minutes, vote tally, and a copy of the information provided to the  
10           public in accordance with 24 V.S.A. § 1894(i).

11           (3) Annually:

12           (A) Ensure that the tax increment financing project account required  
13           by subdivision (h)(1) is subject to the annual audit prescribed in subsection (m)  
14           of this section. Procedures must include verification of the original taxable  
15           value and annual and total municipal and education tax increments generated,  
16           expenditures for debt and related costs, and current balance.

17           (B) On or before February 15 of each year, on a form prescribed by  
18           the Council, submit an annual report to the Vermont Economic Progress  
19           Council and the Department of Taxes, including the information required by  
20           subdivision (2) of this section if not already submitted during the year, all  
21           information required by subdivision (A) of this subdivision (3), and the

1 information required by 32 V.S.A. § 5404a(i), including performance measures  
2 and any other information required by the Council or the Department of Taxes.

3 (l) Annual report. The Vermont Economic Progress Council and the  
4 Department of Taxes shall submit an annual report to the Senate Committees  
5 on Economic Development, Housing and General Affairs and on Finance and  
6 the House Committees on Commerce and Economic Development and on  
7 Ways and Means on or before ~~April~~ January 1 each year. The report shall  
8 include the date of approval, a description of the project, the original taxable  
9 value of the property subject to the project development, the scope and value  
10 of projected and actual improvements and developments in the TIF Project  
11 Zone, projected and actual incremental revenue amounts, and division of the  
12 increment revenue between project debt, the Education Fund, the special  
13 account required by subdivision (h)(1) and the municipal General Fund,  
14 projected and actual financing, and a set of performance measures developed  
15 by the Vermont Economic Progress Council, which may include outcomes  
16 related to the criteria for which the municipality applied and the amount of  
17 infrastructure work performed by Vermont firms.

18 (m) Audit; financial reports. Annually, until the year following the end of  
19 the period for retention of education tax increment, a municipality with an  
20 approved project under this section shall:

1           (1) On or before ~~January~~ October 1, submit an annual report to the  
2           Vermont Economic Progress Council, which shall provide sufficient  
3           information for the Vermont Economic Progress Council to prepare its report  
4           required by subsection (i) of this section.

5           (2) On or before April 1, ensure that the project is subject to the annual  
6           audit prescribed in 24 V.S.A. § 1681 or 1690 and submit a copy to the  
7           Vermont Economic Progress Council. In the event that the audit is only  
8           subject to the audit under 24 V.S.A. § 1681, the Vermont Economic Progress  
9           Council shall ensure a process is in place to subject the project to an  
10           independent audit. Procedures for the audit must include verification of the  
11           original taxable value and annual and total municipal and education tax  
12           increments generated, expenditures for debt and related costs, and current  
13           balance.

14           (n) Authority to issue decisions.

15           (1) The Secretary of Commerce and Community Development, after  
16           reasonable notice to a municipality and an opportunity for a hearing, is  
17           authorized to issue decisions to a municipality on questions and inquiries  
18           concerning the administration of projects, statutes, rules, noncompliance with  
19           this section, and any instances of noncompliance identified in audit reports  
20           conducted pursuant to subsection (m) of this section.

1           (2) The Vermont Economic Progress Council shall prepare  
2           recommendations for the Secretary prior to the issuance of a decision. As  
3           appropriate, the Council may prepare such recommendations in consultation  
4           with the Commissioner of Taxes, the Attorney General, and the State  
5           Treasurer. In preparing recommendations, the Council shall provide a  
6           municipality with a reasonable opportunity to submit written information in  
7           support of its position. The Secretary shall review the recommendations of the  
8           Council and issue a final written decision on each matter within 60 days  
9           following the receipt of the recommendations. The Secretary may permit an  
10          appeal to be taken by any party to a Superior Court for determination of  
11          questions of law in the same manner as the Supreme Court may by rule  
12          provide for appeals before final judgment from a Superior Court before issuing  
13          a final decision.

14          (o) The Vermont Economic Progress Council is authorized to adopt  
15          policies that are consistent with the 2015 TIF Rule, as may be modified by  
16          subsequent rule, to implement this section.

17          Sec. 9. 24 V.S.A. § 1891 is amended to read:

18          § 1891. DEFINITIONS

19          ~~When~~ As used in this subchapter:

20    \* \* \*

1 (4) “Improvements” means the installation, new construction, or  
2 reconstruction of infrastructure that will serve a public purpose and fulfill the  
3 purpose of tax increment financing districts as stated in section 1893 of this  
4 subchapter, including utilities, transportation, public facilities and amenities,  
5 land and property acquisition and demolition, and site preparation.

6 “Improvements” also means the funding of debt service interest payments for a  
7 period of up to five years, beginning on the date in which the first debt is  
8 incurred.

9 \* \* \*

10 (7) “Financing” means debt incurred, including principal, interest, and  
11 any fees or charges directly related to that debt, or other instruments or  
12 borrowing used by a municipality to pay for improvements in a tax increment  
13 financing district, only if authorized by the legal voters of the municipality in  
14 accordance with section 1894 of this subchapter. Payment for the cost of  
15 district improvements and related costs may also include direct payment by the  
16 municipality using the district increment. However, such payment is also  
17 subject to a vote by the legal voters of the municipality in accordance with  
18 section 1894 of this subchapter and, if not included in the tax increment  
19 financing plan approved under subsection 1894(d) of this subchapter, is also  
20 considered a substantial change and subject to the review process provided by  
21 subdivision 1901(2)(B) of this subchapter. If interfund loans within the

1 municipality are used as the method of financing, no interest shall be charged.  
2 Bond anticipation notes may be used as a method of financing and may qualify  
3 as a district's first incurrence of debt. A municipality that uses a bond  
4 anticipation note during the fifth year or tenth year that a district may incur  
5 debt pursuant to section 1894 of this title shall incur all permanent financing  
6 not more than one year after issuing the bond anticipation note.

7 \* \* \*

8 Sec. 10. 24 V.S.A. § 1895 is amended to read:

9 § 1895. ORIGINAL TAXABLE VALUE

10 (a) Certification. As of the date the district is created, the lister or assessor  
11 for the municipality shall certify the original taxable value and shall certify to  
12 the legislative body in each year thereafter during the life of the district the  
13 amount by which the total valuation as determined in accordance with  
14 32 V.S.A. chapter 129 of all taxable real property located within the tax  
15 increment financing district has increased or decreased relative to the original  
16 taxable value.

17 (b) Boundary of the district. Any parcel within a district shall be located  
18 wholly within the boundaries of a district. No adjustments to the boundary of a  
19 district are permitted after the approval of a tax increment financing district  
20 plan as described in section 1894 of this title.

21 Sec. 11. 32 V.S.A. § 5404a(h) is amended to read:

1 (h) To approve utilization of incremental revenues pursuant to  
2 subsection (f) of this section, the Vermont Economic Progress Council shall do  
3 all the following:

4 \* \* \*

5 (3) Location criteria. Determine that each application meets at least ~~two~~  
6 one of the following three criteria:

7 \* \* \*

8 \* \* \* Vermont Film Commission \* \* \*

9 Sec. 12. STUDY; REPORT

10 On or before January 15, 2023, the Agency of Commerce and Community  
11 Development, working in collaboration with the Legislative Joint Fiscal  
12 Office, shall study and submit a report to the House Committee on Commerce  
13 and Economic Development and to the Senate Committee on Economic  
14 Development, Housing and General Affairs that reviews the State history of  
15 the efforts concerning the Vermont Film Commission and the cultivation of a  
16 Vermont film and media industry and addresses:

17 (1) successes and failures of the Commission and the reasons therefor;

18 (2) what Vermont can offer of value to the film industry;

19 (3) how Vermont can compete with other jurisdictions that also seek to  
20 cultivate a more expansive film and media industry;

- 1           (4) who currently works film and media businesses when they come to  
2           Vermont; and  
3           (5) a cost-benefit analysis of establishing a new Film Commission or  
4           similar entity.

5                                   \* \* \* Minimum Wage \* \* \*

6           Sec. 13. FINDINGS

7           The General Assembly finds that:

- 8           (1) The COVID-19 pandemic has caused the labor market to tighten,  
9           which has resulted in employers offering higher starting wages to workers in  
10           many occupations.  
11           (2) Supply chain disruptions and labor shortages related to the COVID-  
12           19 pandemic have caused significant inflation and increases in the cost of  
13           living for Vermonters.  
14           (3) Increasing Vermont’s minimum wage will better align the statutory  
15           minimum wage with the actual conditions in Vermont’s labor market and will  
16           help lower-wage workers to better afford the cost of essential goods and  
17           services.

18           Sec. 13a. 21 V.S.A. § 384 is amended to read:

19           § 384. EMPLOYMENT; WAGES

- 20           (a)(1) An employer shall not employ any employee at a rate of less than  
21           ~~\$10.96. Beginning on January 1, 2021, an employer shall not employ any~~



1 ~~employee at a rate of less than \$11.75. Beginning on January 1, 2022, an~~  
2 ~~employer shall not employ any employee at a rate of less than \$12.55.~~  
3 Beginning on January 1, 2023, an employer shall not employ any employee at  
4 a rate of less than \$13.75. Beginning on January 1, 2024, an employer shall  
5 not employ any employee at a rate of less than \$15.00, and on each subsequent  
6 January 1, the minimum wage rate shall be increased by five percent or the  
7 percentage increase of the Consumer Price Index, CPI-U, U.S. city average,  
8 not seasonally adjusted, or successor index, as calculated by the U.S.  
9 Department of Labor or successor agency for the 12 months preceding the  
10 previous September 1, whichever is smaller, but in no event shall the minimum  
11 wage be decreased. The minimum wage shall be rounded off to the nearest  
12 \$0.01.

13 \* \* \*

14 \* \* \* COVID-19 Paid Sick Leave Grant Program \* \* \*

15 Sec. 14. FINDINGS AND INTENT

16 (a) The General Assembly finds that:

17 (1) COVID-19 has caused increased employee absences due to illness,  
18 quarantine, and school and daycare closures.

19 (2) Many employees do not have sufficient paid time off to cover all of  
20 their COVID-19-related absences from work.

1           (3) Some employers have provided their employees with additional paid  
2 time off for COVID-19-related purposes.

3           (4) The surge in COVID-19 cases caused by the Omicron variant of the  
4 virus has made it financially difficult or impossible for employers to provide  
5 additional paid time off to their employees for COVID-19-related purposes.

6           (5) Providing grants to employers to reimburse a portion of the cost of  
7 providing paid time off to employees for COVID-19-related purposes will:

8                 (A) help to mitigate some negative economic impacts of the COVID-  
9 19 pandemic on employers;

10                (B) improve employee retention;

11                (C) prevent the spread of COVID-19 in the workplace; and

12                (D) provide crucial income to employees and their families.

13           (6) The Front-Line Employees Hazard Pay Grant Program established  
14 pursuant to 2020 Acts and Resolves No. 136, Sec. 6 and expanded pursuant to  
15 2020 Acts and Resolves No. 168, Sec. 1 successfully directed millions of  
16 dollars in hazard pay to front-line workers during the first year of the COVID-  
17 19 pandemic. By utilizing grants to employers, who in turn provided the  
18 hazard pay to their employees, the Program enabled employers to retain

1 employees and reward them for their hard work during the uncertainty of the  
2 early months of the COVID-19 pandemic.

3 (b) It is the intent of the General Assembly that the COVID-19-Related  
4 Paid Leave Grant Program created pursuant to section 14a of this act shall be  
5 modeled on the Front-Line Employees Hazard Pay Grant Program and shall  
6 assist employers in providing paid leave to their employees for COVID-19  
7 related absences.

8 Sec. 14a. COVID-19-RELATED PAID LEAVE GRANT PROGRAM

9 (a)(1) There is established in the Agency of Administration the COVID-19-  
10 Related Paid Leave Grant Program to administer and award grants to  
11 employers to reimburse the cost of providing COVID-19-related paid leave  
12 provided to employees.

13 (2) The sum of \$ \_\_\_\_\_ is appropriated from the American Rescue  
14 Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of  
15 Administration in fiscal year 2023 for the provision of grants to reimburse  
16 employers for the cost of providing COVID-19-related sick leave.

17 (b) As used in this section:

18 (1) “Agency” means the Agency of Administration.

19 (2) “COVID-19-related reason” means the employee is:

20 (A) self-isolating because the employee has been diagnosed with  
21 COVID-19 or tested positive for COVID-19;

1           (B) self-isolating pursuant to the recommendation of a health care  
2           provider or a State or federal public health official because the employee has  
3           been exposed to COVID-19 or the employee is experiencing symptoms of  
4           COVID-19;

5           (C) caring for a parent, grandparent, spouse, child, sibling, parent-in-  
6           law, grandchild, or foster child, because:

7                   (i) the school or place of care where that individual is normally  
8                   located during the employee’s workday is closed due to COVID-19;

9                   (ii) that individual has been requested not to attend the school or  
10                  the place of care where that individual is normally located during the  
11                  employee’s workday due to COVID-19;

12                  (iii) that individual has been diagnosed with or tested positive for  
13                  COVID-19; or

14                  (iv) that individual is self-isolating pursuant to the  
15                  recommendation of a health care provider or a State or federal public health  
16                  official because that individual has been exposed to or is experiencing  
17                  symptoms of COVID-19;

18           (D) attending an appointment for the employee or the employee’s  
19           parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster  
20           child to receive a vaccine or a vaccine booster for protection against COVID-  
21           19; or

1           (E) experiencing symptoms, or caring for a parent, grandparent,  
2           spouse, child, sibling, parent-in-law, grandchild, or foster child who is  
3           experiencing symptoms, related to a vaccine or a vaccine booster for protection  
4           against COVID-19.

5           (3) “Employee” means an individual who, in consideration of direct or  
6           indirect gain or profit, is employed by an employer to perform services in  
7           Vermont.

8           (4) “Employer” means any person that has one or more employees  
9           performing services for it in Vermont. “Employer” does not include the State  
10           or the United States.

11           (5) “Program” means the COVID-19-Related Paid Leave Grant Program  
12           established pursuant to this section.

13           (6) “Program period” means the period beginning on January 1, 2022  
14           and ending on December 31, 2022.

15           (7) “Secretary” means the Secretary of Administration.

16           (c)(1) An employer may apply to the Secretary for one or more grants to  
17           reimburse the employer for the cost of paid leave provided to its employees for  
18           COVID-19-related reasons during the program period.

19           (2) An employer’s grant amount may include reimbursement for  
20           retroactively provided COVID-19-related paid leave to employees who took  
21           unpaid leave for a COVID-19-related reason during the program period

1 because the employee did not have sufficient accrued paid leave available at  
2 the time that the employee took the leave.

3 (3) Employers may submit applications for grants not more than once  
4 each calendar month for paid leave provided during the program period  
5 between the beginning of the program period or the employer’s previous  
6 application, whichever is later, and the date of the employer’s current  
7 application.

8 (4) For the sole purpose of administering grants related to paid leave  
9 provided to independent direct support providers for COVID-19-related  
10 reasons, ARIS Solutions, as the fiscal agent for the employers of the  
11 independent direct support providers, shall have the authority to apply for a  
12 grant in the same manner as any employer.

13 (d)(1) The Secretary shall:

14 (A) adopt procedures for implementing the Program, which shall  
15 include a simple grant application process, a process to allow employers to  
16 certify the amount of paid leave provided for COVID-19-related reasons, and a  
17 process to allow employers to report on their use of the grant funds awarded  
18 pursuant to this section;

19 (B) promote awareness of the Program to employers;

20 (C) award grants to employers on a first-come, first-served basis,  
21 subject to available funding; and

1           (D) develop and implement an audit strategy to assess grant  
2           utilization, the performance of the Program, and compliance with Program  
3           requirements.

4           (2)(A) The Secretary may delegate administration of one or more  
5           aspects of the Program to other agencies and departments of the State.

6           (B) The Secretary may enter into agreements, memoranda of  
7           understanding, or contracts with private entities as necessary to implement or  
8           administer the Program and, notwithstanding any provision of law to the  
9           contrary, shall not be required to competitively bid any contracts entered into  
10           pursuant to this subdivision (2)(B). For the purposes of the Program, the  
11           ongoing public health risk posed by COVID-19 shall be deemed to be an  
12           emergency situation that justifies the execution of sole source contracts  
13           pursuant to Bulletin 3.5, the State’s Procurement and Contracting Procedures.

14           (e)(1) Employers may apply for grants to either reimburse a portion of the  
15           cost of COVID-19-related paid leave provided to employees or to provide  
16           funds to be used to retroactively provide paid leave to employees who took  
17           unpaid leave for COVID-19-related reasons.

18           (A) For reimbursement of COVID-19-related paid leave that was  
19           already provided, the employer may, subject to the limitations of  
20           subdivision (2) of this subsection (e), apply for a grant in an amount equal the  
21           number of hours of COVID-19-related paid leave provided to each employee

1 multiplied by the greater of either the 67 percent of the minimum wage  
2 established pursuant to 21 V.S.A. § 384 or 67 percent of the employee's  
3 regular hourly wage.

4 (B) For COVID-19-related paid leave that will be provided  
5 retroactively to employees who took unpaid leave for COVID-19-related  
6 reasons, the employer may, subject to the limitations of subdivision (2) of this  
7 subsection (e), apply for a grant in an amount equal the number of hours of  
8 COVID-19-related paid leave to be provided to each employee multiplied by  
9 the greater of either the 67 percent of the minimum wage established pursuant  
10 to 21 V.S.A. § 384 or 67 percent of the employee's regular hourly wage.

11 (2)(A) An employer may only apply for a grant in relation to COVID-  
12 19-related leave that was taken by an employee during the program period.

13 (B) The maximum number of hours of COVID-19-related leave for  
14 each employee that an employer may seek grant funding for through the  
15 Program shall equal the lesser of 80 hours or two times the employee's average  
16 weekly hours worked for the employer during the six months preceding the  
17 date of the first application relating to that employee.

18 (B) The maximum amount that an employer shall be eligible to  
19 receive for COVID-19-related paid leave for each employee shall be not more  
20 than \$25.00 per hour of leave, with an aggregate maximum of \$2,000.00 per  
21 employee during the program period.



1       (f) As a condition of being eligible to receive a grant through the Program,  
2       each employer shall be required to certify:

3           (1) that the employer is not seeking funds in relation to any amounts of  
4       paid leave that were deducted from the employee’s accrued paid leave balance  
5       at the time the COVID-19-related leave was taken unless those amounts have  
6       been restored to the employee’s accrued paid leave balance;

7           (2) grant funds shall only be used in relation to the payment of an  
8       employee’s wages for the period when the employee was absent from work for  
9       a COVID-19-related reason; and

10          (3) employees receiving paid leave funded by a grant shall not be  
11       required to pay an administrative fee or other charge in relation to the  
12       employer requesting the grant.

13          (g) Each employer that receives a grant shall, not later than March 1, 2023,  
14       report to the Agency on a form provided by the Secretary the amount of grant  
15       funds used to provide paid leave to employees and the amount of any  
16       remaining grant funds that were not spent. All unspent grant funds shall be  
17       returned to the Agency pursuant to a procedure adopted by the Secretary.

18          (h) Any personally identifiable information that is collected by the  
19       Program, any entity of State government performing a function of the Program,  
20       or any entity that the Secretary contracts with to perform a function of the

1 Program shall be kept confidential and shall be exempt from inspection and  
2 copying under the Public Records Act.

3 \* \* \* Study of Paid Family and Medical Leave Insurance \* \* \*

4 Sec. 14b. FINDINGS

5 The General Assembly finds that:

6 (1) The COVID-19 pandemic highlighted the challenges that a lack of  
7 paid leave poses to employees who must be absent from work for an extended  
8 period of time due to illness or caregiving needs.

9 (2) Paid family and medical leave insurance would provide essential  
10 income replacement for employees who must be absent from work for an  
11 extended period of time due to illness, caregiving needs, or the birth or  
12 adoption of a child.

13 (3) Paid family and medical leave insurance would mitigate the impact  
14 of absences on employers by providing an affordable means of providing paid  
15 leave to employees while improving employee retention.

16 Sec. 14c. PAID FAMILY AND MEDICAL LEAVE; TASK FORCE;

17 REPORT

18 (a) Creation. There is created the Paid Family and Medical Leave  
19 Insurance Task Force to reexamine the work and report of the Study  
20 Committee on Employee Funded Paid Leave created pursuant to 2013 Acts  
21 and Resolves No. 31, Sec. 13 and to investigate proven and tested paid family

1 and medical leave insurance programs in the United States in order to develop  
2 an understanding of the best practices and implementation possibilities for the  
3 potential enactment of an equitable and affordable paid family and medical  
4 leave insurance program in Vermont, including both universal and voluntary  
5 program models for such a program.

6 (b) Membership. The Task Force shall be composed of the following  
7 members:

8 (1) three current members of the House of Representatives, not all from  
9 the same political party, who shall be appointed by the Speaker of the House;  
10 and

11 (2) three current members of the Senate, not all from the same political  
12 party, who shall be appointed by the Committee on Committees.

13 (c) Powers and duties. The Task Force shall examine the establishment of  
14 a paid family and medical leave program in Vermont, including the following:

15 (1) the potential for creating a paid family and medical leave insurance  
16 program in Vermont based on the experience of and best practices from  
17 currently operating paid family and medical leave insurance solutions in the  
18 United States that provide leave for the following purposes:

19 (A) bonding with a newborn or adopted child;

20 (B) caring for an ill or injured family member;

21 (C) the employee's own illness or injury; and

1           (D) exigencies related to a family member serving in the U.S. Armed

2           Forces;

3           (2) based on the solutions examined pursuant to subdivision (1) of this  
4           subsection, develop and examine models and projections for the startup and  
5           implementation of similar solutions in Vermont, including:

6           (A) potential start-up and administrative costs;

7           (B) administrative requirements and considerations;

8           (C) advantages relative to the other models;

9           (D) examples from other jurisdictions and the experience of the  
10          programs in those jurisdictions;

11          (E) benefits and drawbacks; and

12          (F) any other considerations that the Task Force determines are  
13          relevant;

14          (3) opportunities to utilize tested and proven administrative models or  
15          public-private partnerships to reduce administrative costs of a paid family and  
16          medical leave insurance program or to enable a paid family and medical leave  
17          insurance benefits to be established more quickly; and

18          (4) considerations related to the potential enactment of a federal paid  
19          family and medical leave insurance program, including any measures that may  
20          be necessary to ensure that a potential State program could adapt to and  
21          complement the coverage provided by any federal program.

1           (d) Assistance.

2                   (1) The Task Force shall have the administrative assistance of the Office  
3                   of Legislative Operations, the technical assistance of the Joint Fiscal Office,  
4                   and the legal assistance of the Office of Legislative Counsel.

5                   (2) The Task Force may contract with one or more entities or  
6                   individuals for purposes of modeling and actuarial projections.

7                   (e) Report. On or before January 15, 2023, the Task Force shall submit a  
8                   written report to the House Committee on General, Housing, and Military  
9                   Affairs and the Senate Committee on Economic Development, Housing and  
10                   General Affairs with its findings and any recommendations for legislative  
11                   action. The Task Force’s report may take the form of draft legislation.

12           (f) Meetings.

13                   (1) The Office of Legislative Operations shall call the first meeting of  
14                   the Committee to occur on or before September 15, 2022.

15                   (2) The Task Force shall select a chair from among its members at the  
16                   first meeting.

17                   (3) A majority of the membership shall constitute a quorum.

18                   (4) The Task Force shall cease to exist on January 30, 2023.

19                   (g) Compensation and reimbursement. For attendance at meetings during  
20                   adjournment of the General Assembly, a legislative member of the Task Force

1 shall be entitled to per diem compensation and reimbursement of expenses  
2 pursuant to 2 V.S.A. § 23 for not more than six meetings.

3 (h) Appropriation. The sum of [\$ ???,000] is appropriated to General  
4 Assembly from the American Rescue Plan Act (ARPA) – Coronavirus State  
5 Fiscal Recovery Funds in fiscal year 2023 for per diem compensation and  
6 reimbursement of expenses for members of the Task Force and for expenses  
7 related to modeling and actuarial projections.

8 \* \* \* Unemployment Insurance Benefits \* \* \*

9 Sec. 14d. FINDINGS

10 The General Assembly finds that:

11 (1) The COVID-19 pandemic caused significant disruption to  
12 Vermont’s economy and resulted in unprecedented levels of unemployment.

13 (2) Unemployment insurance benefits provide only partial wage  
14 replacement, making it hard for unemployed individuals to afford basic  
15 necessities and living expenses.

16 (3) Significant inflation caused by supply chain, economic, and  
17 workforce disruptions related to the COVID-19 pandemic are making it  
18 increasingly difficult for unemployed individuals to afford basic necessities  
19 and living expenses.

20 (4) Temporarily increasing the weekly unemployment insurance benefit  
21 amount for unemployed individuals will help to mitigate the impact of the

1 COVID-19 pandemic on the unemployed individuals' ability to afford basic  
2 necessities and living expenses.

3 (5) The General Assembly previously enacted a \$25.00 supplemental  
4 increase to the weekly unemployment insurance benefit amount in 2021 Acts  
5 and Resolves No. 51, Sec. 11. However, the terms of that supplemental  
6 increase did not conform to federal requirements and it never took  
7 effect. Enacting a supplemental \$25.00 weekly unemployment insurance  
8 benefit that will later be replaced by a temporary \$25.00 increase in the weekly  
9 unemployment insurance benefit amount will fulfill the commitment made by  
10 the General Assembly in 2021 Acts and Resolves No. 51, Sec. 11.

11 Sec. 14e. 2021 Acts and Resolves No. 51, Sec. 17(a)(4) is amended to read:

12 (4) Sec. 12 (repeal of supplemental weekly benefit) shall take effect  
13 ~~upon the payment of a cumulative total of \$100,000,000.00 in supplemental~~  
14 ~~benefits pursuant to 21 V.S.A. § 1338(e)(2) on October 7, 2021~~ and shall apply  
15 prospectively to all benefit payments in the next week and each subsequent  
16 week.

17 Sec. 14f. 21 V.S.A. § 1341 is added to read:

18 § 1341. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL  
19 BENEFIT

20 (a) Beginning on July 1, 2022, in addition to the amount of regular  
21 unemployment insurance benefits provided pursuant to section 1338 of this

1 title, each individual who qualifies for benefits pursuant to the provisions of  
2 this chapter shall receive a separate supplemental benefit of \$25.00 each week.

3 (b) Benefits provided pursuant to this section shall be paid from the  
4 Unemployment Insurance COVID-19 Supplemental Benefit Special Fund  
5 established pursuant to section 1342 of this chapter.

6 Sec. 14g. 21 V.S.A. § 1342 is added to read:

7 § 1342. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL  
8 BENEFIT SPECIAL FUND

9 There is established the Unemployment Insurance COVID-19 Supplemental  
10 Benefit Special Fund, which shall be managed in accordance with 32 V.S.A.  
11 chapter 7, subchapter 5. The Fund shall consist of any amounts appropriated to  
12 the Fund. The Commissioner may seek and accept grants from any source,  
13 public or private, to be dedicated for deposit into the Special Fund. The  
14 Commissioner shall use the Fund to provide the Supplemental Benefit  
15 established pursuant to section 1341 of this chapter and to pay all necessary  
16 costs associated with the administration of the Supplemental Benefit and of the  
17 Fund.

18 Sec. 14h. APPROPRIATION

19 \$8,000,000.00 is appropriated from the American Rescue Plan Act (ARPA)  
20 – Coronavirus State Fiscal Recovery Funds to the Unemployment Insurance  
21 COVID-19 Supplemental Benefit Special Fund established pursuant to



1 21 V.S.A. § 1342. Not more than five percent of the amount appropriated may  
2 be used for administrative costs related to the implementation and payment of  
3 the Unemployment Insurance COVID-19 Supplemental Benefit established  
4 pursuant to 21 V.S.A. § 1341.

5 Sec. 14i. REPEALS

6 21 V.S.A. § 1341 (Unemployment Insurance COVID-19 Supplemental  
7 Benefit) and 21 V.S.A. § 1342 (Unemployment Insurance COVID-19  
8 Supplemental Benefit Special Fund) are repealed on July 1, 2024.

9 Sec. 14j. 21 V.S.A. § 1338 is amended to read:

10 § 1338. WEEKLY BENEFITS

11 \* \* \*

12 (e) An individual's weekly benefit amount shall be determined by dividing  
13 the individual's two high quarter total subject wages required under  
14 subdivision (d)(1) of this section by 45 and adding \$25.00 to the resulting  
15 quotient, provided that the weekly benefit amount so determined shall not  
16 exceed the maximum weekly benefit amount computed pursuant to  
17 subsection (f) of this section.

18 (f)(1) The maximum weekly benefit amount shall be annually adjusted on  
19 the first day of the first calendar week in July to an amount equal to the sum of  
20 \$25.00 plus 57 percent of the State annual average weekly wage as determined  
21 by subsection (g) of this section.

\* \* \*

1  
2 Sec. 14k. MODIFICATION OF UNEMPLOYMENT INSURANCE

3 MAINFRAME CODE; ANNUAL REPORT; INDEPENDENT

4 VERIFICATION

5 (a)(1) The Commissioner of Labor shall develop and implement changes to  
6 the unemployment insurance mainframe software or develop a modernized  
7 information technology system necessary to implement on January 1, 2025 the  
8 changes to the unemployment insurance weekly benefit amount enacted  
9 pursuant to Sec. 14j of this act. The changes to the mainframe or the  
10 modernized information technology system, as applicable, shall be developed  
11 and implemented in a manner that minimizes risk to the operation of the  
12 mainframe and the functions of the unemployment insurance program.

13 (2) The Commissioner of Labor and the Secretary of Digital Services  
14 shall, to the greatest extent possible, plan and carry out the development and  
15 implementation of a modernized information technology system for the  
16 unemployment insurance program so that the modernized system is available  
17 in time to implement on January 1, 2025 the changes to the unemployment  
18 insurance weekly benefit amount enacted pursuant to Sec. 14j of this act.

19 (b) The Commissioner of Labor shall, on or before January 15, 2023 and  
20 January 15, 2024, submit a written report to the House Committee on  
21 Commerce and Economic Development, the Senate Committee on Economic

1 Development, Housing and General Affairs, and the Legislative Information  
2 Technology Consultant retained by the Joint Fiscal Office detailing the actions  
3 taken and progress made in carrying out the requirements of subsection (a) of  
4 this section, the anticipated timeline for being able to implement the changes to  
5 the unemployment insurance weekly benefit amount enacted pursuant to Sec.  
6 14j of this act, and potential implementation risks identified during the  
7 development process.

8 (c) The Legislative Information Technology Consultant shall, on or before  
9 February 15, 2023 and February 15, 2024, submit to the House Committee on  
10 Commerce and Economic Development and the Senate Committee on  
11 Economic Development, Housing and General Affairs a review of the report  
12 submitted pursuant to subsection (b) of this section. The review shall include  
13 an assessment of whether the Department of Labor will be able to implement  
14 the changes to the unemployment insurance weekly benefit amount enacted  
15 pursuant to Sec. 14j of this act by January 1, 2025 and shall identify any  
16 potential risks or concerns related to implementation that are not addressed in  
17 the Commissioner's report.

18 Sec. 14l. 21 V.S.A. § 1338 is amended to read:

19 § 1338. WEEKLY BENEFITS

20 \* \* \*

1 (e) An individual's weekly benefit amount shall be determined by dividing  
2 the individual's two high quarter total subject wages required under  
3 subdivision (d)(1) of this section by 45 ~~and adding \$25.00 to the resulting~~  
4 ~~quotient~~, provided that the weekly benefit amount so determined shall not  
5 exceed the maximum weekly benefit amount computed pursuant to  
6 subsection (f) of this section.

7 (f)(1) The maximum weekly benefit amount shall be annually adjusted on  
8 the first day of the first calendar week in July to an amount equal to ~~the sum of~~  
9 ~~\$25.00 plus~~ 57 percent of the State annual average weekly wage as determined  
10 by subsection (g) of this section.

11 \* \* \*

12 \* \* \* Appropriations \* \* \*

13 Sec. 15. APPROPRIATIONS

14 (a) In fiscal year 2023, the following amounts are appropriated from the  
15 sources, to the recipients, and for the purposes specified:

16 (1) Worker recruitment. The amount of \$6,000,000.00 is appropriated  
17 from the General Fund to the Agency of Commerce and Community  
18 Development for worker recruitment activities as follows:

19 (A) \$1,000,0000 to the Agency's base budget for the relocated and  
20 remote worker program; and

1                   (B) \$5,000,000 in one-time funding for the program in fiscal year  
2                   2023.

3                   (2) Tourism and marketing; relocation. In fiscal year 2023 the amount  
4                   of \$X,XXX,XXX.00 is appropriated from the General Fund to the Department  
5                   of Tourism and Marketing for activities as follows:

6                   (A) \$1,500,000 to support a regional relocation network; and

7                   (B) \$XXX,000 for marketing and promotion.

8                   (b) Capital Investment Program. In fiscal year 2022:

9                   (1) The amount of \$XX,XXX,XXX.00 is appropriated from the  
10                  American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery  
11                  Funds to the Agency of Commerce and Community Development for the  
12                  Capital Investment Program.

13                  (2) The Agency of Commerce and Community Development shall  
14                  reallocate any remaining funds appropriated pursuant to it by 2021 Acts and  
15                  Resolves No. 74, Sec. G.300(a)(13) for Economic Recovery grants to the  
16                  Capital Investment Program.

17                  (c) VEDA Forgivable Loan Program. In fiscal year 2022 the amount of  
18                  \$20,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) –  
19                  Coronavirus State Fiscal Recovery Funds to the Vermont Economic  
20                  Development Authority for the VEDA Forgivable Loan Program.

1 (d) Brownfields. In fiscal year 2022 the amount of \$6,000,000.00 is  
2 appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State  
3 Fiscal Recovery Funds to the Agency of Commerce and Community  
4 Development \$6,000,000.00 to be used in the same manner as the Brownfields  
5 Revitalization Fund established by 10 V.S.A. § 6654, except notwithstanding  
6 the grant limitations in 10 V.S.A. § 6654, projects supported by this  
7 appropriation shall not be limited to \$200,000.00 grants per parcel.

8 \* \* \* Effective Dates \* \* \*

9 Sec. 16. EFFECTIVE DATES

10 (a) Sec. 4 (Capital Investment Grant Program), Sec. 5 (VEDA Forgivable  
11 Loan Program), and Sec. 15(b)–(d) (appropriations) shall take effect on  
12 passage.

13 (b) Notwithstanding 1 V.S.A. § 214, Sec. 14e (repeal of prior  
14 unemployment insurance supplemental benefit) shall take effect retroactively  
15 on October 7, 2021.

16 (c)(1) Sec. 14f (temporary unemployment insurance supplemental benefit)  
17 shall take effect on July 1, 2022 and apply to benefit weeks beginning after that  
18 date.

19 (2) Secs. 14g (special fund), 14h (appropriation for temporary  
20 unemployment insurance supplemental benefit), and 14i (sunset of

1 unemployment insurance supplemental benefit) shall take effect on July 1,  
2 2022.

3 (d) Sec. 14j (increase in unemployment insurance weekly benefit amount)  
4 shall take effect on July 1, 2024 and shall apply to benefit weeks beginning  
5 after that date.

6 (e) Sec. 14l (prospective repeal of unemployment insurance benefit  
7 increase) shall take effect upon the payment of a cumulative total of  
8 \$92,000,000.00 in additional benefits pursuant to 21 V.S.A. § 1338(e) when  
9 compared to the rate at which benefits would have been paid under the formula  
10 set forth in 21 V.S.A. § 1338(e) on June 30, 2024 and shall apply to benefit  
11 weeks beginning after that date.

12 (f) Sec. 14k (report on implementation of change to unemployment  
13 insurance weekly benefit) shall take effect on passage.

14 (g) All remaining sections of this act shall take effect on July 1, 2022.

15

16

17 (Committee vote: \_\_\_\_\_)

18

19

20

\_\_\_\_\_

Senator \_\_\_\_\_

FOR THE COMMITTEE