

The House Committee on Transportation recommends that the following changes be made to the Governor's recommended BAA Sec. 58 language, which further amends Act 185, Sec. G.600(b). Changes from the Governor's recommended language are in red.

Sec. 58. 2023 Acts and Resolves No. 62, Sec. 26 is amended to read:

Sec. 26. 2022 Acts and Resolves No. 185, Sec. G.600(b), as amended by 2023 Acts and Resolves No. 3, Sec. 85 and 2023 Acts and Resolves No. 62, Sec. 26, is further amended to read:

(b) In fiscal year 2023, \$32,200,000 is appropriated from the General Fund and \$550,000 is appropriated from the Transportation Fund for electric vehicle charging infrastructure, electrification incentives and public transportation investments as follows:

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(4) ~~\$3,000,000~~ \$3,500,000 to the Agency of Transportation to grant to the Community Action Agencies to support the MileageSmart Program, established in 2019 Acts and Resolves No. 59, Sec. 34, as amended.

(5) ~~\$2,350,000.00~~ \$1,850,000 to the Agency of Transportation for the Replace Your Ride Program, established in 2021 Acts and Resolves No. 55, Sec. 27, as amended.

(6) \$500,000 to the Agency of Transportation Electrify Your Fleet Program.

(7) ~~\$2,200,000~~ \$2,350,000 general funds and \$550,000 Transportation funds to the Agency of Transportation for the following:

(C) \$50,000 Transportation funds and ~~\$100,000~~ \$150,000 general funds to the Agency of Transportation for electric bicycle incentives.

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Language requested from House Appropriations to address potentially unobligated ARPA funds and created a “waterfall” for the reappropriation of said funds while the General Assembly is not in session, due to the obligation deadline of ARPA funds.

Sec. XX. AMERICAN RESCUE PLAN ACT UNOBLIGATED FUNDS

(a) To the extent to which American Rescue Plan Act funds remain unobligated by November 15, 2024, the funds shall revert to the American Rescue Plan Act Fund and be reappropriated in the following order:

(1) \$5,000,000 to the Agency of Commerce and Community Development for the Community Recovery and Revitalization grant program. It is the intent of the General Assembly that grants from these funds be made to municipalities in counties that were impacted by the July 2023 flooding event and are eligible for Federal Emergency Management Agency (FEMA) Public Assistance funds under federal disaster declaration DR-4720-VT.

(2) \$30,000,000 to the Vermont Housing and Conservation Board (VHCB) to provide support and enhance capacity for the production and preservation of affordable mixed-income rental housing and homeownership units, including improvements to manufactured homes and communities, permanent homes for those experiencing homelessness, recovery residences, and housing available to farm workers and refugees.

(b) At the November 2024 meeting of the Joint Fiscal Committee, the Commissioner of Finance and Management shall report on the extent to which there are unobligated American Rescue Plan Act funds beyond \$35,000,000. The Commissioner of Finance and Management shall submit any recommendations on how these funds should be reappropriated. The Joint Fiscal Committee shall review the Commissioner’s recommendations and reappropriate the remainder of unobligated American Rescue Plan Act funds.

Treasurer language request to amend the VT SAVES statute. Makes technical corrections in Sec. 532, amends Sec. 535 to apply the enforcement structure to employers that fail to comply with the program, rather than those that fail to enroll employees, and increases flexibility in the event that the program can be launched more quickly than previously expected.

Sec. XX. 3 V.S.A. chapter 18 is amended to read:

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§ 532. VT SAVES PROGRAM; ESTABLISHMENT

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(c) Contributions.

(1) Unless otherwise specified by the covered employee, a covered employee shall automatically initially contribute five percent of the covered employee's ~~salary or~~ wages to the Program. A covered employee may elect to opt out of the Program at any time or contribute at any higher or lower rate, expressed as a percentage of ~~salary or~~ wages, or, as permitted by the Treasurer, expressed as a flat dollar amount, subject in all cases to the IRA contribution and eligibility limits applicable under the Internal Revenue Code at no additional charge.

(2) The Treasurer shall provide for, on a uniform basis, an annual increase of each active participant's contribution rate, by not less than one percent, but not more than eight percent, of ~~salary or~~ wages each year. Any such increases shall apply to active participants, including participants by default with an option to opt out or participants who are initiated by affirmative participant election, provided that any increase is subject to the IRA contribution and eligibility limits applicable under the Internal Revenue Code.

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§ 535. PENALTIES

(a) Failure to ~~enroll~~ comply. If a covered employer fails to be in ~~enroll a covered employee~~ compliance with this chapter without reasonable cause, the covered employer is subject to a penalty for each covered employee for each calendar year or portion of a calendar year during which the covered employee was not enrolled in the Program or had not opted out of participation in the Program. The amount of any penalty imposed on a covered employer for the failure to enroll a covered employee without reasonable cause is determined as follows:

* * *

(b) Waivers. The Treasurer is authorized to establish a rule waiving the penalty for a covered employer for ~~any failure to enroll a covered employee~~ that fails to be in compliance with this chapter for which it is established that the covered employer did not know that the failure existed and exercised reasonable diligence to meet the requirements of this chapter, provided that:

* * *

Sec. XX. 2023 Acts and Resolves No. 43, Sec. 2 is amended to read:

(a) Subject to an appropriation from the General Assembly, the State Treasurer shall implement the VT Saves Program (Program), established in 3 V.S.A. chapter 18, ~~as follows:~~ in stages as determined by the Treasurer, which may include phasing in the Program based on the size of employers, or other factors. The Program shall be implemented so that all covered employees will begin participation and make contributions by July 1, 2026.

~~(1) Beginning on July 1, 2025, all covered employers with 25 or more covered employees shall offer the Program to all covered employees.~~

~~(2) Beginning on January 1, 2026, all covered employers with 15 to 24 covered employees shall offer the Program to all covered employees.~~

~~(3) Beginning on July 1, 2026, all covered employers with five to 14 covered employees shall offer the Program to all covered employees.~~

(b) As used in this section, “covered employer” and “covered employee” have the same meanings as in 3 V.S.A. § 531.

Secretary of State recommended change, necessary for compliance with the Federal Electoral Count Reform Act

Sec. ~~XX~~. 17 V.S.A. § 2732(a) is amended to read:

(a) The electors shall meet at the State House on the first ~~Monday~~ Tuesday after the second Wednesday in December next following their election to vote for the President and Vice President of the United States, agreeably to the laws of the United States.

Creates requested Cannabis Control Board positions.

Sec. 49. 2023 Acts and Resolves No. 78, Sec. E.100.(a)(1) is amended to read:

Sec. E.100 EXECUTIVE BRANCH POSITIONS

(a) The establishment of ~~68~~ 75 permanent positions is authorized in fiscal year 2024 for the following:

(1) Permanent classified positions:

(R) Department for Children and Families:

(i) five Family Service Workers;

(S) Cannabis Control Board:

(i) one Compliance Agent; and

(ii) one Deputy Director of Compliance and Enforcement.

Sec. 36 of the Governor's recommended BAA language amends Sec. B.1100 of Act 78 to include a one-time \$3,000,000 appropriation to the Agency of Administration for Enterprise Resource Planning (ERP) Modernization – Business Transformation. Per the Committee's request JFO has struck this amendment in Sec. 36. The following sections amend an Act 185 appropriation so that previously appropriated funds may be used for this purpose and amend statute to include business process transformation.

Sec. 36. 2023 Acts and Resolves No. 78, Sec. B.1100 is amended to read:

(a) Agency of Administration. In fiscal year 2024, funds are appropriated for the following:

(4) \$30,000,000 General Fund to be used as Federal Emergency Management Agency (FEMA) matching funds for costs incurred due to the July 2023 flooding emergency.

~~(5) \$3,000,000 General Fund for Enterprise Resource Planning (ERP) Modernization – Business Transformation.~~

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Sec. XX. 2022 Acts and Resolves No. 185, Sec. E. 105.2 is amended to read:

Sec. E.105.2 FISCAL YEAR 2023; TECHNOLOGY MODERNIZATION SPECIAL FUND; AUTHORIZATIONS

(a) In fiscal year 2023, the following expenditures are authorized from the Technology Modernization Special Fund to the projects described in this section:

(1) the sum of \$11,800,000 for Enterprise Resource Planning (ERP) system upgrade of core statewide financial accounting system and integration with the Vermont Department of Labor and the Agency of Transportation financial systems. These funds may be transferred to other agencies and departments for other Enterprise Resource Planning modernization related projects including business process transformation;

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Sec. XX. 3 V.S.A. § 3306 is amended to read:

§ 3306. TECHNOLOGY MODERNIZATION SPECIAL FUND

(a) Creation. There is created the Technology Modernization Special Fund, to be administered by the Agency of Digital Services. Monies in the Fund shall be used to fund business process transformation and to purchase, implement, and upgrade technology platforms, systems, and cybersecurity services used by State agencies and departments to carry out their statutory functions.

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The following sections remove language related to the Afterschool and Summer Learning Program from the bill.

~~Sec. 52. 2023 Acts and Resolves No. 78, Sec. E.500.1 is amended to read:~~

~~Sec. E.500.1 16 V.S.A. § 4018 is added to read:~~

~~§ 4018. AFTERSCHOOL AND SUMMER LEARNING PROGRAMS~~

~~(a) Education Fund grants in an amount equal to the receipts from the sales and use tax imposed by 32 V.S.A. chapter 233 on retail sales of cannabis or cannabis products in this State, net of any administrative costs per subsection (b)(4) of this section, shall be used The Afterschool and Summer Learning Fund is created pursuant to 32 V.S.A. Chapter 7, subchapter 5 to be administered by the Secretary of Education to fund grant programs for the expansion of summer and afterschool programs with an emphasis on increasing access in underserved areas of the State. Monies in the fund shall be comprised of the following:~~

~~(1) All receipts from the sales and use tax imposed pursuant to 32 V.S.A. Chapter 233 on retail sales of cannabis or cannabis products in Vermont; and~~

~~(2) Any proceeds transferred from another State fund as directed by the General Assembly~~

~~(b) The Secretary of Education shall administer the grant programs, as follows:~~

~~(1) Grants shall be used to support a mixed-delivery system for afterschool and summer programming. Eligible recipients can be public, private, or nonprofit organizations.~~

~~(2) Grants may be used for technical assistance, program implementation, program expansion, program sustainability, and related costs.~~

~~(3) Grants may be used to directly target communities with low existing capacity to serve youth in afterschool and summer settings.~~

~~(4) The Agency may use up to \$500,000 each fiscal year from the Afterschool and Summer Learning Fund for administrative costs to allow for the support of the grant program~~

~~and technical assistance to communities. This could include subcontracts to support the grant programs.~~

~~(c) An Advisory Committee is created to support the Secretary of Education in administering funds pursuant to this section. The Agency shall provide administrative and technical support to the Committee. The Committee is to be composed of:~~

- ~~(1) the State's Chief Prevention Officer;~~
- ~~(2) the Commissioner for Children and Families or designee;~~
- ~~(3) the Commissioner of Health or designee;~~
- ~~(4) the Commissioner of Mental Health or designee;~~
- ~~(5) the Secretary of Natural Resources or designee;~~
- ~~(6) the Secretary of Commerce and Community Development or designee;~~
- ~~(7) the Vermont Afterschool Executive Director or designee; and~~
- ~~(8) a representative from the Governor's Office.~~

~~(d) On or before each November 15, the Agency of Education shall submit to the General Assembly a plan to fund grants in furtherance of the purposes of subsection (a) of this section and report outcomes data on the grants made during the previous year. The Agency shall also report on the number of programs, slots, weeks, or hours; geographic distribution; and what is known about costs to families. The report should be inclusive of 21C programming. The amount of grant funds awarded shall be in alignment with the actual revenue collected from the sales and use tax imposed by 32 V.S.A. § 233 on cannabis or cannabis products in this State. Discrepancies between the amount of grant funds awarded and actual revenue shall be reconciled through the budget adjustment process. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the plan to be made under this subsection 209.~~

Sec. 65. 32 V.S.A. § Chapter 207 is amended to read:

~~CHAPTER 207. CANNABIS EXCISE TAX AND SALES TAX REVENUE~~

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~~§ 7910. Cannabis Sales Tax Revenue; Afterschool and Summer Learning Program~~

~~(a) Revenue from the sales and use tax imposed by Chapter 233 of this title on retail sales of cannabis or cannabis products in Vermont shall be deposited into the Afterschool and Summer Learning special fund established pursuant to 16 V.S.A. § 4018(a).~~

The following sections amend VHFA's Missing-Middle Homeownership Development Pilot Program as established by Act 182 and amended by Act 47. The change in Sec. 36(d)(2)(A) adds language to ensure that upon the sale of a home, the Agency can recapture the value of the affordability subsidy if said value is not used to offset the cost of the home for a future buyer. Sec. 36(f)(3) is struck to remove limitations on where investments may be awarded. The following section strikes contingent implementation language that has since become outdated.

Sec. XX. 2023 Acts and Resolves No. 47, Sec. 36 is amended to read:

Sec. 36 MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT PROGRAM

(a) The Vermont Housing Finance Agency shall establish a Middle-Income Homeownership Development Program pursuant to this section.

(b) As used in this section:

(1) "Affordable owner-occupied housing" means owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont Housing Finance Agency criteria governing owner-occupied housing.

(2) "Income-eligible homebuyer" means a Vermont household with annual income that does not exceed 150 percent of area median income.

(c) The Agency shall use the funds appropriated in this section to provide subsidies for new construction or acquisition and substantial rehabilitation of affordable owner-occupied housing for purchase by income-eligible homebuyers.

(d) The total amount of subsidies for a project shall not exceed 35 percent of eligible development costs, as determined by the Agency, which the Agency may allocate consistent with the following:

(1) Developer subsidy. The Agency may provide a direct subsidy to the developer, which shall not exceed the difference between the cost of development and the market value of the home as completed.

(2) Affordability subsidy. Of any remaining amounts available for the project after the developer subsidy, the Agency may provide a subsidy for the benefit of the homebuyer to reduce the cost of purchasing the home, provided that:

(A) the Agency includes conditions in the subsidy; agreement or uses another legal mechanism; to ensure that, ~~to the extent the home value has risen, the amount of the subsidy~~ upon sale of the home, to the extent proceeds are available, the amount of the affordability subsidy either:

(i) remains with the home to offset the cost to future homebuyers; or

(ii) is recaptured by the Agency upon sale of the home for use in a similar program to support affordable homeownership development; or

(B) the subsidy is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, that preserves the affordability of the home for a period of 99 years or longer.

(3) The Agency shall allocate not less than 33 percent of the funds available through the Program to projects that include a housing subsidy covenant consistent with subdivision (2)(B) of this subsection.

(e) The Agency shall adopt a Program plan that establishes application and selection criteria, including:

(1) project location;

(2) geographic distribution;

(3) leveraging of other programs;

(4) housing market needs;

(5) project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan;

(6) construction standards, including considerations for size;

(7) priority for plans with deeper affordability and longer duration of affordability requirements;

(8) sponsor characteristics;

(9) energy efficiency of the development; and

(10) the historic nature of the project.

(f)(1) When implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investments statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

~~(3) The Agency shall use its best efforts to ensure:~~

~~(A) that investments awarded are targeted to the geographic communities or regions with the most pressing economic and employment needs; and~~

~~(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.~~

(g) The Agency may assign its rights under any investment or subsidy made under this section to the Vermont Housing and Conservation Board or any State agency or nonprofit organization qualifying under 26 U.S.C § 501(c)(3), provided such assignee acknowledges and agrees to comply with the provisions of this section.

(h) The Department shall report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15.

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Sec. XX. 2023 Acts and Resolves No. 47, Sec. 37 is amended to read:

~~Sec. 37. MIDDLE INCOME HOMEOWNERSHIP; IMPLEMENTATION~~

~~The duty to implement Sec. 36 of this act is contingent upon an appropriation of funds in fiscal year 2024 from the General Fund to the Department of Housing and Community Development for a subgrant to the Vermont Housing Finance Agency for the Middle Income Homeownership Development Program. [Repealed].~~