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S.138

Introduced by Committee on Economic Development, Housing and General  
Affairs

Date: March 17, 2015

Subject: Commerce and trade; economic development

Statement of purpose of bill as introduced: This bill proposes to promote economic development through provisions relating to the Vermont Employment Growth Incentive (VEGI) program, education and workforce training, tourism and marketing, targeted tax credits for motion picture production, angel investors, millennial enterprise zones, first-time homebuyer down payment assistance, manufacturing and energy rates, land use and economic development planning, and business growth and access to capital.

An act relating to promoting economic development

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

~~\*\*\* Vermont Employment Growth Incentive \*\*\*~~

Sec. 1. 32 V.S.A. § 5930a(c)(2) is amended to read:

(2) The new jobs should make a net positive contribution to employment in the area, and meet or exceed the ~~prevailing compensation level including wages and benefits, for the particular employment sector~~ livable wage at the time of application, as calculated pursuant to 2 V.S.A. § 505(a)(2). The new

1 ~~jobs should offer benefits and opportunities for advancement and professional~~  
2 ~~growth consistent with the employment sector~~

3 *Sec. 1. [Deleted.]*

4 ~~Sec. 2. 32 V.S.A. § 5930b is amended to read:~~

5 § 5930b. VERMONT EMPLOYMENT GROWTH INCENTIVE

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

7 (1) “Application base number of jobs” means the total number of  
8 full-time Vermont jobs, on an annualized basis, held by nonowners at the time  
9 of application, including employees that have been laid off or otherwise  
10 terminated within six months of the date of application.

11 (2) “Application base payroll” means the total Vermont gross wages and  
12 salaries paid to full-time, nonowner employees on an annualized basis at the  
13 time of application, including employees who have been laid off or otherwise  
14 terminated within six months prior to the date of application.

15 (3) “Authorized award amount” means the amount of the incentive  
16 award as determined by the Vermont Economic Progress Council pursuant to  
17 this section.

18 (4) “Award period” means the consecutive five years during which a  
19 business may add qualifying jobs and qualifying capital investments eligible  
20 ~~for employment growth incentives under this section~~

1 ~~(5) "Base number of jobs" means the total number of full-time Vermont~~  
2 jobs held by nonowners on an annualized basis.

3 (6) "Base payroll" means the total Vermont gross wages and salaries  
4 actually paid to full-time, nonowner employees.

5 (7) "But-for" means the determination of whether, in the absence of the  
6 economic incentive sought, the proposed economic development would not  
7 occur or would occur in a significantly different and significantly less desirable  
8 manner.

9 (8) "Capital investment target" means qualifying capital investment in  
10 an award period year as represented on the Vermont employment growth  
11 incentive application.

12 (9) "Full-time job" means a permanent position filled by an employee  
13 who works at least 35 hours each week.

14 (10) "Incentive percentage" means the percentage applied to qualifying  
15 payroll in order to calculate earned incentives.

16 (11) "Incentive ratio," set at 80 percent, is the percentage applied to the  
17 preincentive net fiscal benefit in order to calculate the maximum award that  
18 may be authorized under this section.

19 ~~(12) [Repealed.]~~

1 ~~(13) "Jobs target" means the projected number of new qualifying jobs in~~  
2 ~~an award period year as reported on the Vermont employment growth~~  
3 ~~incentive application.~~

4 (14) "Net fiscal benefit" means the excess of the present value  
5 benefit to the State over the present value cost to the State as calculated by the  
6 cost-benefit model.

7 (15) "Nonowner" means an employee with no more than 10 percent  
8 ownership interest, including attribution of ownership interests of the  
9 employee's spouse, parents, spouse's parents, siblings, and children.

10 (16) "Payroll target" means the projected Vermont gross wages and  
11 salaries for qualifying jobs in an award period year as reported on the Vermont  
12 employment growth incentive application.

13 (17) "Payroll threshold" means expected average industry payroll  
14 growth as determined by the cost-benefit model.

15 (18) "Projected average wage" means the total payroll targets divided by  
16 the total jobs targets.

17 (19) "Qualifying capital investment" means projected investments in  
18 Vermont in new facilities, machinery, and equipment, the value of which is an  
19 input to the cost-benefit model in evaluating applications.

20 (20) "Qualifying jobs" means new, full-time Vermont jobs held by  
21 ~~nonowners that meet the wage threshold~~

1 ~~(21) "Qualifying payroll" means annualized Vermont gross wages and~~  
2 salaries paid for qualifying jobs created in or carried forward to the award  
3 period year, provided that:

4 (A) award period year base payroll; minus

5 (B) Vermont gross wages and salaries paid for new qualifying jobs  
6 created in or carried forward to the award period year; equals or exceeds

7 (C) prior-year base payroll minus any carry-forward of qualifying  
8 payroll under subdivision (c)(4) of this section, plus award-year payroll  
9 threshold.

10 (22) "Utilization period" means the period during which incentives can  
11 be claimed, and includes each year of the award period plus the four years  
12 immediately following each year of the award period.

13 (23) "Vermont gross wages and salaries" means Medicare wages as  
14 reported on Federal Tax Form W2 to the extent those wages are Vermont  
15 wages, excluding income from nonstatutory stock options.

16 (24) "Wage threshold" means the minimum annualized Vermont gross  
17 wages and salaries paid, as determined by the Council, but not less than  
18 ~~60 percent above the minimum wage at the time of application, in order for a~~  
19 ~~new job to be a qualifying job under this section~~ the livable wage at the time of  
20 application, as calculated pursuant to 2 V.S.A. § 505(a)(3).

21 ~~(b) Authorization process~~

1 ~~(1) A business may apply to the Vermont Economic Progress Council~~  
2 for approval of a performance-based employment growth incentive to be paid  
3 out of the business's withholding account upon approval by the Department of  
4 Taxes pursuant to the conditions set forth in this section. Businesses shall not  
5 be permitted to deduct approved incentives from withholding liability  
6 payments otherwise due. In addition to any other information that the Council  
7 may require in order to fulfill its obligations under section 5930a of this title,  
8 an employment growth incentive application shall include all the following  
9 information:

- 10 (A) application base number of jobs;
- 11 (B) total jobs at time of application;
- 12 (C) application base payroll;
- 13 (D) total payroll at time of application;
- 14 (E) jobs target for each year in the award period;
- 15 (F) payroll target for each year in the award period;
- 16 (G) capital investment target for each year in the award period; and
- 17 (H) a statement signed by the president or chief executive officer or  
18 equivalent acknowledging that to the extent the applicant fails to meet the  
19 minimum capital investment by the end of the award period, any incentives  
20 ~~remaining to be earned shall be limited, and any incentives taken shall be~~

1 ~~subject to complete or partial reversal, pursuant to subdivisions (c)(10) and~~  
2 (11) of this section.

3 (2) The Council shall review each application in accordance with  
4 section 5930a of this title, except that the Council may provide for an initial  
5 approval pursuant to the conditions set forth in subsection 5930a(c), followed  
6 by a final approval at a later date, before December 31 of the calendar year in  
7 which the economic activity commences.

8 (3) Except as provided in subdivision (5) of this subsection, the value of  
9 the incentives will be dependent upon the net fiscal benefit resulting from  
10 projected qualifying payroll and qualifying capital investment. An incentive  
11 ratio shall be applied to the net fiscal benefit generated by the cost-benefit  
12 model in order to determine the maximum award the Council may authorize  
13 for each application it approves. The Council may establish a threshold for  
14 wages in excess of, but not less than, the wage threshold, as defined in  
15 subsection (a) of this section for individual applications the Council wishes to  
16 approve. The Council shall calculate an incentive percentage for each  
17 approved application as follows:

18 
$$\text{Authorized award amount} \div \text{the five-year sum of all payroll targets}$$

19 (4) An approval shall specify: the application base jobs at the time of the  
20 application; total jobs at time of application; the application base payroll; total  
21 ~~payroll at time of application; the incentive percentage; the wage threshold; the~~

1 ~~payroll thresholds; a job target for each year of the award period; a payroll~~  
2 target for each year of the award period; a capital investment target for each  
3 year of the award period and description sufficient for application of  
4 subdivisions (c)(10) and (11) of this section of the nature of qualifying capital  
5 investment over the award period upon which approval shall be conditioned;  
6 and the amount of the total award. The Council shall provide a copy of each  
7 approval to the Department of Taxes along with a copy of the application  
8 submitted by that applicant.

9 (5) Notwithstanding subdivision (3) of this subsection, the Council may  
10 authorize incentives in excess of net fiscal benefit multiplied by the incentive  
11 ratio ~~not to exceed an annual authorization established by law~~ for awards to  
12 businesses located in a labor market area of this State in which the rate of  
13 unemployment is greater than the average for the State or in which the average  
14 annual wage is below the average annual wage for the State. As used in this  
15 subdivision, a "labor market area" shall be as determined by the Department of  
16 Labor.

17 (c) Claiming an employment growth incentive.

18 \* \* \*

19 (6)(A) A business whose application is approved and, in the first,  
20 second, or third year of the award period, fails to meet or exceed its payroll  
21 ~~target and one out of two of its jobs and capital investment targets may not~~

1 ~~claim incentives in that year. To the extent such business reaches its first,~~  
2 second, or third year award period targets within the succeeding two calendar  
3 year reporting periods immediately succeeding year one, two, or three of the  
4 award period, or within the extended period if an extension is granted under  
5 subdivision (B) of this subdivision (6), whichever is applicable, such business  
6 may claim incentives in five-year installments as provided in subdivisions (1)  
7 through (4) of this subsection. A business which fails to meet or exceed its  
8 payroll target and one of its two jobs and capital investment targets within this  
9 time frame shall forfeit all authority under this section to earn and claim  
10 incentives for award period year one, two, or three, as applicable, and any  
11 future award period years. The Department of Taxes shall notify the Vermont  
12 Economic Progress Council that the first, second, or third year award period  
13 targets have not been met within the prescribed period, and the Council shall  
14 rescind authority for the business to earn incentives for the activity in year one,  
15 two, or three, as applicable, and any future award period years.

16 (B) Notwithstanding subdivision (A) of this subdivision (6), upon  
17 notification by the Department of Taxes that a business has not reached its first  
18 or second year award period targets within the succeeding two calendar year  
19 reporting periods, the Vermont Economic Progress Council may review the  
20 circumstances that caused the business to fail to meet the targets within the  
21 ~~required time period. If the Council determines that there is a reasonable~~

1 ~~likelihood that the business will meet the award period targets, the Council~~  
2 ~~may extend the period to meet the targets for another two reporting periods,~~  
3 ~~reviewed annually, for award year one, and one reporting period for award~~  
4 ~~year two.~~

5 \* \* \*

6 (h) Enhanced training incentive. Notwithstanding any provision of law to  
7 the contrary, the Council may award an enhanced training incentive as follows:

8 (1) A business whose incentive application is approved may elect to  
9 claim an enhanced training incentive at any time during the award period by:

10 (A) notifying the Council of its intent to pursue an enhanced training  
11 incentive and dedicate its incentive funds to training through the Vermont  
12 Training Program or a Workforce Education and Training Fund program; and

13 (B) applying for a grant from the Vermont Training Program or the  
14 Workforce Education and Training Fund to perform training for new  
15 employees who hold qualifying jobs.

16 (2) If the business successfully completes new employee training  
17 pursuant to the terms of its training grant and uses incentive funds to cover a  
18 25 percent share of the training costs, the Agency of Commerce and  
19 Community Development, or the Department of Labor, as applicable, shall  
20 ~~disburse grant funds for on-the-job training of not more than 75 percent of~~

1 ~~wages for each employee in training, or not more than 75 percent of trainer~~  
2 expense upon successful completion of training hours.

3 (3) The Department of Taxes shall reimburse the Agency or the  
4 Department for 25 percent of the wages or trainer expense incurred by the  
5 Vermont Training Program or the Workforce Education and Training Fund  
6 pursuant to subdivision (2) of this subsection.

7 (4) If the business successfully completes its training and meets or  
8 exceeds its payroll target and either its jobs target or capital investment target,  
9 the Council shall approve the enhanced training incentive and notify the  
10 Department of Taxes.

11 (5) Upon notification by the Council, the Department of Taxes shall  
12 disburse the full remaining value of the business's incentive, less the value of  
13 the reimbursement to the Vermont Training Program or the Workforce  
14 Education and Training Fund for training expenses pursuant to subdivision (3)  
15 of this subsection.

16 (6)(A) If, during the utilization period for the incentive paid pursuant to  
17 this subsection (h), the business fails to maintain the qualifying jobs or  
18 qualifying payroll established in the award year, or does not reestablish  
19 qualifying jobs or qualifying payroll to 100 percent of the award year level, the  
20 Department of Taxes shall recapture the enhanced incentive pursuant to  
21 subsection (d) of this section.

1 ~~(B) The amount of recapture shall equal the sum of the installments~~  
2 ~~that the Department would have disbursed if it had paid the incentive in~~  
3 ~~five-year installments pursuant to subdivision (c)(2) of this section for the~~  
4 ~~years during the utilization period that the qualifying jobs or qualifying payroll~~  
5 ~~were not maintained.~~

6 (i) Employment growth incentive for value-added business.

7 (1) As used in this subsection, a “value-added business” means a person  
8 that is subject to income taxation in Vermont and whose current or prospective  
9 economic activity in Vermont for which incentives are sought under this  
10 section is certified by the Secretary of Commerce and Community  
11 Development to be primarily in one or more of the following sectors:

12 (A) production of tangible products, other than real estate; or

13 (B) information processing or information management services,  
14 including:

15 (i) computer hardware or software, and information and  
16 communication technologies, such as high-level software languages, graphics  
17 hardware and software, speech and optical character recognition, high-volume  
18 information storage and retrieval, and data compression;

19 (ii) technological applications that use biological systems, living  
20 organisms or derivatives thereof, to make or modify products or processes for  
21 specific use;

1 ~~(iii) custom computer programming services, such as writing,~~  
2 modifying, testing, and supporting software to meet the needs of a particular  
3 customer;

4 (iv) computer systems design services such as planning and  
5 designing computer systems that integrate computer hardware, software, and  
6 communication technologies;

7 (v) computer facilities management services, such as providing  
8 on-site management and operation of clients' computer systems and/or data  
9 processing facilities.

10 (2) Any application for a Vermont employment growth incentive under  
11 this section for a value-added business shall be considered and administered  
12 pursuant to all provisions of this section, except that:

13 (A) the "incentive ratio" pursuant to subdivision (a)(11) of this  
14 section shall be set at 90 percent; and

15 (B) the "payroll threshold" pursuant to subdivision (a)(17) of this  
16 section shall be deemed to be 20 percent of the expected average industry  
17 payroll growth as determined by the cost-benefit model.

18 (j) Overall gross cap on total employment growth incentive and education  
19 tax incentive authorizations.

20 (1) For any calendar year, the total amount of employment growth  
21 incentives the Vermont Economic Progress Council is authorized to approve

1 ~~under this section and property tax stabilizations under 32 V.S.A. § 5404a(a)~~  
2 ~~shall not exceed \$10,000,000.00 from the General Fund and Education Fund~~  
3 ~~combined each year.~~

4 ~~(2) This maximum annual amount may be exceeded by the Vermont~~  
5 ~~Economic Progress Council upon application to and approval by the~~  
6 ~~Emergency Board.~~

7 *Sec. 2. [Deleted.]*

8 ~~Sec. 3. 2006 Acts and Resolves No. 184, Sec. 11 is amended to read:~~

9 ~~Sec. 11. VEGI; ANNUAL CALENDAR YEAR CAPS~~

10 ~~(a) Net negative awards cap. Notwithstanding any other provision of law,~~  
11 ~~in any calendar year, the annual authorization for the total net fiscal cost of~~  
12 ~~Vermont employment growth incentives that the Vermont economic progress~~  
13 ~~council or the economic incentive review board may approve under 32 V.S.A.~~  
14 ~~§ 5930b(b)(5) shall not exceed \$1,000,000.00 from the general fund.~~

15 ~~(b) Restrictions to labor market area. Employment growth incentives within~~  
16 ~~the annual authorization amount in subsection (a) of this section shall be~~  
17 ~~granted solely for awards to businesses located in a labor market area of this~~  
18 ~~state in which the rate of unemployment is greater than the average for the~~  
19 ~~state or in which the average annual wage is below the average annual wage~~  
20 ~~for the state. For the purposes of this section, a "labor market area" shall be as~~  
21 ~~determined by the department of labor.~~

1 ~~(e) Overall gross cap on total employment growth incentive and education~~  
2 ~~tax incentive authorizations. For any calendar year, the total amount of~~  
3 ~~employment growth incentives the Vermont economic progress council or the~~  
4 ~~economic incentive review board is authorized to approve under 32 V.S.A.~~  
5 ~~§ 5930b and property tax stabilizations and allocations under 32 V.S.A.~~  
6 ~~§ 5404a(a) and (e) shall not exceed \$10,000,000.00 from the general fund and~~  
7 ~~education fund combined each year. This maximum annual amount may be~~  
8 ~~exceeded by the Vermont economic progress council upon application to and~~  
9 ~~approval by the Emergency Board. [Repealed.]~~

10 *Sec. 3. [Deleted.]*

11 ~~Sec. 4. 10 V.S.A. § 531(d) is amended to read:~~

12 (d) In order to avoid duplication of programs or services and to provide the  
13 greatest return on investment from training provided under this section, the  
14 Secretary of Commerce and Community Development shall:

15 (1) consult with the Commissioner of Labor regarding whether the  
16 grantee has accessed, or is eligible to access, other workforce education and  
17 training resources;

18 (2) disburse grant funds only for training hours that have been  
19 successfully completed by employees; provided that, except for an award  
20 under an enhanced training incentive as provided in 32 V.S.A. § 5930b(h), a  
21 ~~grant for on the job training shall either provide not more than 50 percent of~~

1 ~~wages for each employee in training, or not more than 50 percent of trainer~~  
2 expense, but not both, and further provided that training shall be performed in  
3 accordance with a training plan that defines the subject of the training, the  
4 number of training hours, and how the effectiveness of the training will be  
5 evaluated; and

6 (3) use funds under this section only to supplement training efforts of  
7 ~~employers and not to replace or supplant training efforts of employers.~~

8 *Sec. 4. [Deleted.]*

9 Secs. 5–9. [Reserved]

10 \* \* \* Education and Workforce Training \* \* \*

11 Sec. 10. VERMONT STRONG SCHOLARS LOAN FORGIVENESS

12 FINDINGS; INTENT

13 The General Assembly finds that the fundamental fairness, integrity, and  
14 success of the Vermont Strong Scholars loan forgiveness program under  
15 Sec. 11 of this act, whereby graduating high school students will be counseled  
16 and encouraged to apply to Vermont schools, take certain courses, graduate  
17 and then take certain Vermont jobs, in exchange for student loan forgiveness,  
18 is critically dependent on the State providing reliable, sustainable, and  
19 adequate funding for the loan forgiveness.

20 Sec. 11. 16 V.S.A. § 2888 is amended to read:

1 § 2888. VERMONT STRONG SCHOLARS AND INTERNSHIP

2 INITIATIVE

3 (a) Creation.

4 (1) There is created a postsecondary loan forgiveness and internship  
5 initiative designed to forgive a portion of Vermont Student Assistance  
6 Corporation loans of students employed in ~~economic sectors~~ occupations  
7 identified as important to Vermont's economy and to build internship  
8 opportunities for students to gain work experience with Vermont employers.

9 (2) The initiative shall be known as the Vermont Strong Scholars and  
10 Internship Initiative and is designed to:

11 (A) encourage students to:

12 (i) consider ~~jobs in economic sectors~~ occupations that are critical  
13 to the Vermont economy;

14 (ii) enroll and remain enrolled in a Vermont postsecondary  
15 institution; and

16 (iii) live and work in Vermont upon graduation;

17 (B) reduce student loan debt for postsecondary ~~education in targeted~~  
18 fields degrees involving a course of study related to, and resulting in,  
19 employment in target occupations;

20 (C) provide experiential learning through internship opportunities  
21 with Vermont employers; and

1 (D) support a ~~pipeline~~ steady stream of qualified talent for  
2 ~~employment with~~ Vermont's employers.

3 (b) Vermont Strong Loan Forgiveness Program.

4 (1) ~~Economic sectors~~ Occupations; projections.

5 (A) Annually, on or before November 15, the Secretary of Commerce  
6 and Community Development and the Commissioner of Labor, in consultation  
7 with the Vermont State Colleges, the University of Vermont, the Association  
8 of Vermont Independent Colleges, the Vermont Student Assistance  
9 Corporation, the Secretary of Human Services, and the Secretary of Education,  
10 shall identify ~~economic sectors~~ occupations, projecting at least four years into  
11 the future, that are or will be critical to the Vermont economy.

12 (B) Based upon the identified ~~economic sectors~~ occupations and the  
13 number of students anticipated to qualify for loan forgiveness under this  
14 section, the Secretary of Commerce and Community Development shall  
15 annually provide the General Assembly with the estimated cost of the Vermont  
16 Student Assistance Corporation's loan forgiveness awards under the Loan  
17 Forgiveness Program during the then-current fiscal year and each of the four  
18 following fiscal years.

19 (2) Eligibility. A graduate of a public or private Vermont postsecondary  
20 institution shall be eligible for forgiveness of a portion of his or her Vermont

1 Student Assistance Corporation postsecondary education loans under this  
2 section if he or she:

3 (A) was a Vermont resident, as defined in subdivision 2822(7) of this  
4 title, at the time he or she was graduated;

5 (B) enrolled in his or her first year of study at a postsecondary  
6 institution on or after July 1, 2015 and completed an associate's degree within  
7 three years, or a bachelor's degree within six years of his or her enrollment  
8 date;

9 (C) becomes employed on a full-time basis in Vermont within  
10 12 months of graduation in an ~~economic sector~~ occupation identified by the  
11 Secretary and Commissioner under subdivision (1) of this subsection;

12 (D) remains employed on a full-time basis in Vermont throughout the  
13 period of loan forgiveness in an ~~economic sector~~ occupation identified by the  
14 Secretary and Commissioner under subdivision (1) of this subsection; and

15 (E) remains a Vermont resident throughout the period of loan  
16 forgiveness.

17 (3) Loan forgiveness. An eligible individual shall have a portion of his  
18 or her Vermont Student Assistance Corporation loan forgiven as follows:

19 (A) ~~For~~ for an individual awarded an associate's degree, in an  
20 amount equal to the comprehensive in-state tuition rate for 15 credits at the

1 Vermont State Colleges during the individual's final semester of enrollment, to  
2 be prorated over the three years following graduation;

3 (B) ~~For~~ for an individual awarded a bachelor's degree, in an amount  
4 equal to the comprehensive in-state tuition rate for 30 credits at the Vermont  
5 State Colleges during the individual's final year of enrollment, to be prorated  
6 over the five years following graduation;

7 (C) ~~Loan~~ loan forgiveness may be awarded on a prorated basis to an  
8 otherwise eligible Vermont resident who transfers to ~~and is graduated from a~~  
9 Vermont postsecondary institution and graduates after July 1, 2017, with an  
10 associate's degree or after July 1, 2019, with a bachelor's degree.

11 (4) Management.

12 (A) The Secretary of Commerce and Community Development shall  
13 develop all organizational details of the Loan Forgiveness Program consistent  
14 with the purposes and requirements of this section.

15 (B) The Secretary shall enter into a memorandum of understanding  
16 with the Vermont Student Assistance Corporation for management of the Loan  
17 Forgiveness Program.

18 (C) The Secretary may adopt rules pursuant to 3 V.S.A. chapter 25  
19 necessary to implement the Program.

20 (c) Vermont Strong Internship Program.

21 (1) Internship Program management.

1           (A) The Commissioner of Labor and the Secretary of Commerce and  
2           Community Development shall jointly develop and implement the  
3           organizational details of the Internship Program consistent with the purposes  
4           and requirements of this section and may adopt rules pursuant to 3 V.S.A.  
5           chapter 25 necessary to implement the Internship Program.

6           (B) The Commissioner, in consultation with the Secretary, shall issue  
7           a request for proposals for a person to serve as an Internship Program  
8           Intermediary, who shall perform the duties and responsibilities pursuant to the  
9           terms of a performance contract negotiated by the Commissioner and the  
10          Intermediary.

11          (C) The Department of Labor, the Agency of Commerce and  
12          Community Development, the regional development corporations, and the  
13          Intermediary, shall have responsibility for building connections within the  
14          business community to ensure broad private sector participation in the  
15          Internship Program.

16          (D) The Program Intermediary shall:

17               (i) identify and foster postsecondary internships that are rigorous,  
18               productive, well-managed, and mentored;

19               (ii) cultivate relationships with employers, employer-focused  
20               organizations, and State and regional government bodies;

1                   (iii) build relationships with Vermont postsecondary institutions  
2 and facilitate recruitment of students to apply for available internships;

3                   (iv) create and maintain a registry of participating employers and  
4 associated internship opportunities;

5                   (v) coordinate and provide support to the participating student, the  
6 employer, and the student's postsecondary institution;

7                   (vi) develop and oversee a participation contract between each  
8 student and employer, including terms governing the expectations for the  
9 internship, a work plan, mentoring and supervision of the student, reporting by  
10 the employer and student, and compensation terms; and

11                   (vii) carry out any additional activities and duties as directed by  
12 the Commissioner.

13                   (2) Qualifying internships.

14                   (A) Criteria. To qualify for participation in the Internship Program  
15 an internship shall at minimum:

16                   (i) be with a Vermont employer as approved by the Intermediary  
17 in consultation with the Commissioner and Secretary;

18                   (ii) pay compensation to an intern of at least the prevailing  
19 minimum wage; and

20                   (iii) meet the quality standards and expectations as established by  
21 the Intermediary.

1           (B) Employment of interns. Interns shall be employed by the  
2 sponsoring employer except, with the approval of the Commissioner on a  
3 case-by-case basis, interns may be employed by the Intermediary and assigned  
4 to work with a participating Vermont employer, in which case the sponsoring  
5 employer shall contribute funds as determined by the Commissioner.

6           (3) Student eligibility. To participate in the Internship Program, an  
7 individual shall be:

8           (A) a Vermont resident enrolled in a postsecondary institution in or  
9 outside Vermont;

10           (B) a student who graduated from a postsecondary institution within  
11 24 months of entering the program who was classified as a Vermont resident  
12 during that schooling or who is a student who attended a postsecondary  
13 institution in Vermont; or

14           (C) a student enrolled in a Vermont postsecondary institution.

15           (d) Funding.

16           (1) Loan Forgiveness Program.

17           (A) Loan forgiveness; State funding.

18           (i) There is created a special fund to be known as the Vermont  
19 Strong Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, which  
20 shall be used and administered by the Secretary of Commerce and Community

1 Development solely for the purposes of loan forgiveness pursuant to this  
2 section.

3 (ii) The Fund shall consist of sums to be identified by the  
4 Secretary from any source accepted for the benefit of the Fund and interest  
5 earned from the investment of Fund balances.

6 (iii) Any interest earned and any remaining balance at the end of  
7 the fiscal year shall be carried forward in the Fund.

8 (iv) The availability and payment of loan forgiveness awards  
9 under this ~~subdivision~~ chapter is subject to State funding available for the  
10 awards.

11 (B) Loan forgiveness; Vermont Student Assistance Corporation. The  
12 Vermont Student Assistance Corporation shall have the authority to grant loan  
13 forgiveness pursuant to this section by using the private loan forgiveness  
14 capacity associated with bonds issued by the Corporation to raise funds for  
15 private loans that are eligible for forgiveness under this section, if available.

16 (2) Internship Program. Notwithstanding any provision of law to the  
17 contrary, the Commissioner of Labor shall have the authority to use funds  
18 allocated to the Workforce Education and Training Fund established in  
19 10 V.S.A. § 543 to implement the Internship Program created in this section.

1 Sec. 12. ADVANCED MANUFACTURING AND INFORMATION

2 TECHNOLOGY PROGRAMS; ANALYSIS

3 The Agency of Commerce and Community Development, Agency of  
4 Education, and the Department of Labor shall conduct an analysis of the  
5 workforce education and training programs in manufacturing, advanced  
6 manufacturing, and information technology that currently exist in Vermont for  
7 mechanical and technical skills, machinist training, web and graphic  
8 development, coding, health care technology services, and other high-demand  
9 positions in Vermont. The State agencies and department shall collaborate to  
10 support the advancement of programs and initiatives, including providing  
11 financial resources as appropriate from their program funds.

12 Sec. 13. 21 V.S.A. § 497a is amended to read:

13 § 497a. COMMITTEE ESTABLISHED

14 There is hereby established a permanent committee to be known as the  
15 Vermont ~~governor's committee on employment of people with disabilities~~  
16 Governor's Committee on Employment of People with Disabilities, to consist  
17 of ~~21~~ 22 members, including a one representative ~~of~~ each from the Vermont  
18 ~~employment service division~~ Department of Labor's Workforce Development  
19 Career Services Division and the Jobs for Veterans State Grant Program, one  
20 representative ~~of~~ from the ~~vocational rehabilitation division of the department~~  
21 ~~of disabilities, aging, and independent living~~ Department of Disabilities, Aging

1 and Independent Living Vocational Rehabilitation Division and one from the  
2 Division for the Blind and Visually Impaired, one representative of the  
3 ~~veterans' administration, one representative of the veterans' employment~~  
4 ~~service~~ Veterans' Administration, and 17 members to be appointed by the  
5 ~~governor~~ Governor. The appointive members shall hold office for the term  
6 specified or until their successors are named by the ~~governor~~ Governor. The  
7 members shall receive no salary for their services as such, but the necessary  
8 expenses of the ~~committee~~ Committee shall be paid by the ~~state~~ State. ~~Those~~  
9 ~~persons acting as said committee on June 29, 1963 shall continue as such until~~  
10 ~~their successors are appointed as herein provided.~~

11 Secs. 14–19. [Reserved]

12 ~~\*\*\* Tax Credits \*\*\*~~

13 Sec. 20. 32 V.S.A. chapter 245 is added to read:

14 CHAPTER 245: TAX CREDITS

15 § 11001. ANGEL INVESTOR TAX CREDIT

16 (a) A qualified taxpayer who makes an eligible venture capital investment:

17 (1) may claim a credit against his or her income tax liability imposed  
18 under chapter 151 of this title for 40 percent of the value of each eligible  
19 venture capital investment per qualifying business made during a taxable year;

20 (2) may claim credit in increments of 25 percent of the total credit over  
21 four years; provided that the amount of the credit allowed under this section for

1 ~~any one taxable year may not exceed 50 percent of the taxpayer's income tax~~

2 liability for the taxable year before application of the credit; and

3 (3) may carry forward for up to 10 years the value of credit that the  
4 taxpayer could not claim due to the limitations in subdivision (2) of this  
5 subsection.

6 (b)(1) The maximum aggregate investment in any one qualifying business  
7 for which a single qualified investor may receive tax credit under this section is  
8 limited to \$500,000.00 in any three consecutive years.

9 (2) The maximum aggregate investment in any one qualified business  
10 for which all qualified investors may receive tax credit under this section is  
11 limited to \$5,000,000.00.

12 (c)(1) To claim a credit pursuant to this section, a qualified taxpayer shall  
13 submit to the Agency of Commerce and Community Development  
14 documentation and any additional information requested by the Agency  
15 necessary to demonstrate compliance with the requirements of this section.

16 (2) The Agency, upon review and confirmation of the qualified  
17 taxpayer's eligibility for a credit, shall issue a credit certificate to the taxpayer,  
18 who shall file the certificate with the Department of Taxes with his or her State  
19 income tax return for the applicable year.

20 ~~(d) In this section:~~

1 ~~(1) "At risk debt" means debt which is not secured, is not guaranteed by~~  
2 ~~a substantial owner of the business, will not be repaid for at least five years, or~~  
3 ~~bears a reasonable rate of interest.~~

4 (2) "Eligible venture capital investment" means up to \$500,000.00 of  
5 total investment by one person, which is equity or at-risk debt investment in  
6 one qualified business, for expenditure by the qualified business on the plant,  
7 equipment, research, and development, or as working capital in Vermont.

8 (3) "Qualified business" means a business that:

9 (A) has its principal place of business in this State;

10 (B) had in the year preceding the investment annual gross sales of  
11 \$3,000,000.00 or less; and

12 (C)(i) is a manufacturer;

13 (ii) is engaged in the development or application of advanced  
14 technologies;

15 (iii) provides a service that is sold or rendered, or is projected to  
16 be sold or rendered, predominantly outside of the State;

17 (iv) brings capital into the State, as determined by the Agency of  
18 Commerce and Community Development; or

19 (v) is a visual media production company, as determined by the  
20 Agency of Commerce and Community Development.

1 ~~(4) "Qualified taxpayer" means a taxpayer who is not a substantial~~  
2 ~~owner of the qualified business.~~

3 ~~(5) "Substantial owner" means a person who, after the investment, has~~  
4 ~~greater than 20 percent ownership interest in the qualified business, including~~  
5 ~~attribution of ownership interests of the individual's spouse, parents, spouse's~~  
6 ~~parents, siblings, and children; or is a person who is controlled by, or has~~  
7 ~~actual control of, the qualified business through any combination of ownership~~  
8 ~~and management.~~

9 § 11002. MILLENNIAL ENTERPRISE ZONE TAX CREDIT

10 (a) Purpose. The purpose of this section is to create incentives through tax  
11 credits for:

12 (1) creating new, high-paying jobs in information technology and  
13 related fields, including digital networks, robotics, and virtual worlds; and

14 (2) investing capital in research, design, and facilities in these sectors.

15 (b) Designation. The Secretary of Commerce and Community  
16 Development shall have the authority to declare a millennial enterprise zone,  
17 which may be a virtual space or geographical area, or both, where one or more  
18 persons are investing human, intellectual, physical, or economic capital in  
19 building a business in information technology or related fields, including  
20 ~~digital networks, robotics, and virtual worlds.~~

1 ~~(c) Eligibility criteria. To be eligible for a credit under this section a~~  
2 ~~person shall:~~  
3 ~~(1) be engaged in a business in a qualifying sector and creating new,~~  
4 ~~full-time jobs in Vermont; and~~  
5 ~~(2) pay gross wages and benefits to its employees that average at least~~  
6 ~~150 percent of the Vermont minimum wage.~~  
7 ~~(d) Tax credit.~~  
8 ~~(1) A person shall be eligible for a credit against his or her income tax~~  
9 ~~liability imposed under chapter 151 of this title for job creation or investment~~  
10 ~~within a designated millennial enterprise zone in a tax year as follows:~~  
11 ~~(A) five percent of the value of the gross wages and benefits of each~~  
12 ~~new, full-time job created and maintained for 12 months;~~  
13 ~~(B) 50 percent of the value of capital investment in real or personal~~  
14 ~~property of the business; and~~  
15 ~~(C) 10 percent of the value of the business's investment in research~~  
16 ~~and development.~~  
17 ~~(2) The amount of total credit available pursuant to this section shall not~~  
18 ~~exceed 50 percent of a person's tax liability per taxable year.~~  
19 ~~(3) A person who is eligible for credit but unable to claim the full~~  
20 ~~amount because of the cap under subdivision (2) of this subsection may carry~~  
21 ~~forward the value of any unused credit for up to 10 years.~~

1 ~~(4) Upon application and demonstration that a person meets the criteria~~  
2 ~~to qualify for credit under this section, the Secretary of Commerce and~~  
3 ~~Community Development shall issue a tax certificate to the person, who shall~~  
4 ~~file the certificate with his or her tax return in each year he or she wishes to~~  
5 ~~claim available credit.~~

6 ~~(e) The Secretary of Commerce and Community Development shall have~~  
7 ~~the authority to adopt rules and procedures to implement the provisions of this~~  
8 ~~section.~~

9 *Sec. 20. [Deleted.]*

10 ~~Sec. 21. 32 V.S.A. § 5930a is amended to read:~~

11 § 5930a. TAX CREDIT FOR AFFORDABLE HOUSING

12 (a) As used in this section:

13 (1) “Affordable housing project” or “project” means:

14 (A) a rental housing project identified in 26 U.S.C. § 42(g); or

15 (B) owner-occupied housing identified in 26 U.S.C. § 143(e) and (f)

16 and eligible (c)(1) or that qualifies under the Vermont Housing Finance  
17 Agency allocation plan criteria governing owner-occupied housing.

18 (2) “Affordable housing tax credits” means the tax credit provided by  
19 this subchapter.

20 ~~(3) “Allocating agency” means the Vermont Housing Finance Agency.~~

1 ~~(4) "Committee" means the Joint Committee on Tax Credits consisting~~  
2 of five members; a representative from the Department of Housing and  
3 Community Affairs, the Vermont Housing and Conservation Board, the  
4 Vermont Housing Finance Agency, the Vermont State Housing Authority, and  
5 the Office of the Governor.

6 (5) "Credit certificate" means a certificate issued by the allocating  
7 agency to a taxpayer that specifies the amount of affordable housing tax credits  
8 that can be applied against the taxpayer's individual or corporate income tax or  
9 franchise or insurance premium tax liability as provided in this subchapter.

10 (6) "Eligible applicant" means any municipality, private sector  
11 developer, ~~department of state government as defined in 10 V.S.A. § 6302(a),~~  
12 State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing Finance  
13 Agency, or a nonprofit organization qualifying under 26 U.S.C. § 501(c)(3), or  
14 cooperative housing organization, the purpose of which is the creation and  
15 retention of to create and retain affordable housing for lower income  
16 Vermonters, with lower income and the which has in its bylaws that require a  
17 requirement that housing to the housing the organization creates be maintained  
18 as affordable housing for lower income Vermonters with lower income on a  
19 perpetual basis.

20 (7) "Eligible cash contribution" means an amount of cash contributed to  
21 ~~the owner, developer, or sponsor of an affordable housing project and~~

1 ~~determined by the allocating agency as eligible for affordable housing tax~~

2 credits.

3 (8) "Section 42 credits" means tax credit provided by 26 U.S.C.

4 §§ 38 and 42.

5 (9) "Allocation plan" means the plan recommended by the Committee  
6 and approved by the Vermont Housing Finance Agency, which sets forth the  
7 eligibility requirements and process for selection of eligible housing projects to  
8 receive affordable housing tax credits under this section. The allocation plan  
9 shall include:

10 (A) requirements for creation and retention of affordable housing for  
11 ~~low income~~ persons; with low income, and

12 (B) requirements to ensure that eligible housing is maintained as  
13 affordable by subsidy covenant, as defined in 27 V.S.A. § 610 on a perpetual  
14 basis, and meets all other requirements of the Vermont Housing Finance  
15 Agency related to affordable housing.

16 (b) Eligible tax credit allocations.

17 (1) Affordable housing credit allocation.

18 (A) An eligible applicant may apply to the allocating agency for an  
19 allocation of affordable housing tax credits under this section related to an  
20 affordable housing project authorized by the allocating agency under the

21 ~~allocation plan. In the case of a specific affordable rental housing project, the~~

1 ~~eligible applicant must shall also be the owner or a person having the right to~~  
2 acquire ownership of the building and ~~must~~ shall apply prior to placement of  
3 the affordable housing project in service. In the case of owner-occupied  
4 housing units, the applicant ~~must apply prior to purchase of the unit and must~~  
5 shall ensure that the allocated funds will be used to ensure that the housing  
6 ~~qualifies or program funds remain as an affordable housing resource for all~~  
7 future owners ~~of the housing~~. The allocating agency shall issue a letter of  
8 approval if it finds that the applicant meets the priorities, criteria, and other  
9 provisions of subdivision ~~(2)(B)~~ of this ~~subsection~~ subdivision (1). The burden  
10 of proof shall be on the applicant.

11 ~~(2)(B)~~ Upon receipt of a completed application, the allocating agency  
12 shall award an allocation of affordable housing tax credits with respect to a  
13 project ~~under this section shall be granted~~ to an applicant, provided the  
14 applicant demonstrates to the satisfaction of the ~~committee~~ allocating agency  
15 all of the following:

16 ~~(A)(i)~~ The owner of the project has received from the allocating  
17 agency a binding commitment for, a reservation or allocation of ~~or an~~  
18 out-of-cap determination letter for, Section 42 credits, or meets the  
19 requirements of the allocation plan for development or financing of units to be  
20 owner-occupied;

21 ~~(B)(ii) The project has received community support.~~

1 ~~(2) Down payment assistance program.~~

2 ~~(A) The Vermont Housing Finance Agency shall have the authority~~  
3 ~~to allocate affordable housing tax credits to finance down payment assistance~~  
4 ~~loans that meet the following requirements:~~

5 ~~(i) the loan is made in connection with a mortgage through an~~  
6 ~~Agency program;~~

7 ~~(ii) the borrower is a first-time homebuyer of an owner-occupied~~  
8 ~~primary residence; and~~

9 ~~(iii) the borrower uses the loan for the borrower's down payment,~~  
10 ~~or closing costs, or both.~~

11 ~~(B) The Agency shall require the borrower to repay the loan upon the~~  
12 ~~sale or refinance of the residence.~~

13 ~~(C) The Agency shall use the proceeds of loans made under the~~  
14 ~~program for future down payment assistance.~~

15 (c) Amount of credit. A taxpayer who makes an eligible cash contribution  
16 shall be entitled to claim against the taxpayer's individual income, corporate,  
17 franchise, or insurance premium tax liability a credit in an amount specified on  
18 the taxpayer's credit certificate. The first-year allocation of a credit amount to  
19 a taxpayer shall also be deemed an allocation of the same amount in each of  
20 ~~the following four years.~~

1 ~~(d) Availability of credit. The amount of affordable housing tax credit~~  
2 allocated with respect to a project shall be available to the taxpayer every year  
3 for five consecutive tax years, beginning with the tax year in which the eligible  
4 cash contribution is made. Total tax credits available to the taxpayer shall be  
5 the amount of the first-year allocation plus the succeeding four years' deemed  
6 allocations.

7 (e) Claim for credit. A taxpayer claiming affordable housing tax credits  
8 shall submit with each return on which such credit is claimed a copy of the  
9 allocating agency's credit allocation to the affordable housing project and the  
10 taxpayer's credit certificate. Any unused affordable housing tax credit may be  
11 carried forward to reduce the taxpayer's tax liability for no more than 14  
12 succeeding tax years, following the first year the affordable housing tax credit  
13 is allowed.

14 (f) ~~[Deleted.]~~ [Repealed.]

15 (g)(1) In any fiscal year, the allocating agency may award up to:

16 (A) \$400,000.00 in total first-year credit allocations to all applicants  
17 for rental housing projects, for a total aggregate limit of \$2,000,000.00 over  
18 any given five-year period that credits are available under this subdivision; and  
19 ~~may award up to~~

20 (B) \$300,000.00 per year for owner-occupied unit applicants

21 ~~financing or down payment loans consistent with the allocation plan, including~~

1 ~~for new construction and manufactured housing, for a total aggregate limit of~~  
2 ~~\$1,500,000.00 over any given five-year period that credits are available under~~  
3 ~~this subdivision.~~

4 ~~(2) In fiscal years 2016 through 2020, the allocating agency may award~~  
5 ~~up to \$125,000.00 per year for loans through the down payment assistance~~  
6 ~~program created in subdivision (b)(2) of this section for a total aggregate limit~~  
7 ~~of \$625,000.00 over the five-year period that credits are available under this~~  
8 ~~subdivision.~~

9 ~~(h) In any fiscal year, total first-year allocations plus succeeding-year~~  
10 ~~deemed allocations shall not exceed \$3,500,000.00. The aggregate limit for all~~  
11 ~~credit allocations available under this section in any fiscal year is~~  
12 ~~\$4,125,000.00.~~

13 *Sec. 21. [Deleted.]*

14 Secs. 22–29. [Reserved]

15 \* \* \* Land Use; Economic Development Planning \* \* \*

16 ~~Sec. 30. 24 V.S.A. § 2793b(b) is amended to read:~~

17 ~~(b) Within 45 days of receipt of a completed application, the State Board~~  
18 ~~shall designate a new town center development district if the State Board finds,~~  
19 ~~with respect to that district, the municipality has:~~

20 ~~(1) A confirmed planning process under section 4350 of this title,~~  
21 ~~developed a municipal center plan, and adopted bylaws and ordinances that~~

1 ~~implement the plan, including an official map, and a design review district~~  
2 created under this title or other regulations that adequately control the physical  
3 form and scale of development.

4 (2) Provided a community investment agreement that has been executed  
5 by authorized representatives of the municipal government, businesses, and  
6 property owners within the District, and community groups with an articulated  
7 purpose of supporting downtown interests, and contains the following:

8 \* \* \*

9 (F) Evidence that civic and public buildings, or publicly owned  
10 structures or facilities devoted to community use do exist, or will exist in the  
11 center, as shown by the capital improvement plan or the capital budget and  
12 program, and the official map.

13 \* \* \*

*Sec. 30. [Deleted.]*

14 ~~Sec. 31. 10 V.S.A. § 6081(w) is added to read:~~

15 (w) Improvements to be constructed within an industrial park that was in  
16 existence as of January 1, 2010 and subject to an “umbrella permit” issued  
17 under this chapter shall not be required to obtain a permit or permit amendment  
18 if each of the following applies:

19 (1) The improvements will comply with those specific conditions of the  
20 umbrella permit included to resolve issues critical to issuance of the permit.

1 ~~Such conditions shall not include any requirement under the umbrella permit to~~  
2 ~~obtain a permit amendment.~~

3 ~~(2) The municipality in which the improvements will be located has in~~  
4 ~~effect a land use plan and zoning and subdivisions bylaws under 24 V.S.A.~~  
5 ~~chapter 117.~~

6 ~~(3) The municipality has issued a municipal land use permit for the~~  
7 ~~improvements under that chapter.~~

8 ~~(4) The Agency of Natural Resources has issued those permits and~~  
9 ~~approvals that its enabling statutes require for the improvements.~~

*Sec. 31. [Deleted.]*

10 ~~Sec. 32. 24 V.S.A. § 2787 is added to read:~~

11 ~~§ 2787. ENTERPRISE ZONES~~

12 ~~(a) After consultation with the regional planning commission and the~~  
13 ~~planning commission of each affected municipality, a regional development~~  
14 ~~corporation may propose an enterprise zone consisting of a list of properties~~  
15 ~~contiguous or adjacent to each other to serve as locations for new or expanded~~  
16 ~~manufacturing.~~

17 ~~(b) The regional development corporation shall provide notice and~~  
18 ~~opportunity to submit written comment and request a public hearing on each~~  
19 ~~proposal for an enterprise zone.~~

20 ~~(1) The corporation shall provide notice of the proposal on its web page~~  
21 ~~and directly to each affected regional planning commission, the legislative~~

1 ~~body and planning commission of each affected municipality, and the~~  
2 ~~landowners of record in the proposed enterprise zone.~~

3 ~~(2) The corporation may hold a public hearing on request or on its own~~  
4 ~~motion and shall hold a public hearing if requested by an affected regional~~  
5 ~~planning commission, the legislative body or planning commission of an~~  
6 ~~affected municipality, or a group consisting of or representing 25 or more~~  
7 ~~persons within an affected region or municipality.~~

8 ~~(3) The contested case provisions of 3 V.S.A. chapter 25 shall not apply~~  
9 ~~to the designation of an enterprise zone.~~

10 ~~(c) After providing the notice and opportunity required by subsection (b) of~~  
11 ~~this section, the regional development corporation may designate an enterprise~~  
12 ~~zone if it finds that each property included in the zone is a suitable and~~  
13 ~~commercially viable location on which to site manufacturing and will be~~  
14 ~~supported by transportation, water, wastewater, and other necessary~~  
15 ~~infrastructure in sufficient capacity to support manufacturing. The~~  
16 ~~corporation's decision on the enterprise zone shall respond to each comment~~  
17 ~~received.~~

18 ~~(d) On designation of an enterprise zone under this section:~~

19 ~~(1) The Agency of Natural Resources shall issue a decision on an~~  
20 ~~application for each permit or approval that its enabling statutes require for~~  
21 ~~development in the zone within 45 days of the date of application.~~

1 ~~(2) The regional development corporation or municipality in which the~~  
2 ~~zone is located may apply for and receive a “master plan” permit or partial~~  
3 ~~findings, or both, for the zone under 10 V.S.A. chapter 151 and the rules~~  
4 ~~adopted under that chapter. If a master plan permit is issued, then subsequent~~  
5 ~~development within the zone shall require no further permits or permit~~  
6 ~~amendments under 10 V.S.A. chapter 151, notwithstanding any provision of~~  
7 ~~that chapter to the contrary.~~

*Sec. 32. [Deleted.]*

8 ~~Sec. 33. ACT 250, GUIDANCE ON SETTLEMENT PATTERNS~~

9 CRITERION

10 (a) The General Assembly finds that:

11 (1) 2014 Acts and Resolves No. 147, Sec. 2 amended 10 V.S.A.  
12 § 6086(a)(9)(L) (Criterion 9L) to become a settlement patterns criterion. The  
13 purpose of the amendment was to promote new development that is consistent  
14 with Vermont’s historic development pattern of compact centers surrounded by  
15 working lands; to encourage the efficient use of land, roads, utilities and other  
16 infrastructure; and to promote development within existing settlements.

17 (2) Since that amendment, the Natural Resource Board (the Board) has  
18 worked with the Agency of Commerce and Community Development  
19 (ACCD), the Agency of Natural Resources (ANR) and others to provide  
20 training and guidance to State agencies, regional planning commissions, trade

1 ~~associations, municipal planners, development consultants, attorneys and~~  
2 others about this change to Criterion 9L.

3 (3) Effective October 17, 2014, the Board adopted a procedure to  
4 implement Criterion 9L (the Criterion 9L Procedure).

5 (b) The General Assembly determines that more education and improved  
6 guidance would be beneficial in implementing Criterion 9L. Procedures and  
7 guidance issued on Criterion 9L shall be consistent with the purpose stated in  
8 subdivision (a)(1) of this section.

9 (1) The Board shall revise the Criterion 9L Procedure in full  
10 collaboration with ACCD and ANR.

11 (A) Prior to completing this revision, the Board shall solicit input  
12 from affected parties and the public including planners, developers,  
13 municipalities, and environmental advocacy organizations.

14 (B) The Board shall adopt the revision in the form of a procedure  
15 under 3 V.S.A. chapter 25 or as a guidance document, or may include some of  
16 the subject matter in a procedure and some in a guidance document.

17 (2) Following the Board's revision of the Criterion 9L procedure,  
18 ACCD shall work with the NRB and ANR to develop outreach material  
19 including illustrative examples and implement a training plan on Criterion 9L  
20 for local elected officials, municipal boards, State and regional organizations  
21 ~~and associations, environmental groups, consultants, and developers.~~

*Sec. 33. ACT 250; IMPLEMENTATION OF SETTLEMENT PATTERNS  
CRITERION*

*(a) The General Assembly finds that:*

*(1) 2014 Acts and Resolves No. 147, Sec. 2 amended 10 V.S.A. § 6086(a)(9)(L) (Criterion 9L) to become a settlement patterns criterion. The purpose of the amendment was to guide and accomplish coordinated, efficient, and economic development in the State that is consistent with Vermont's historic settlement pattern of compact centers separated by rural countryside.*

*(2) Effective on October 17, 2014, the Natural Resources Board (NRB) adopted a procedure to implement Criterion 9L (the Criterion 9L Procedure).*

*(b) The General Assembly determines that additional opportunity for public comment on the Criterion 9L Procedure, as well as additional education and improved guidance, would be beneficial in implementing the criterion.*

*(1) The NRB shall review the Criterion 9L Procedure in full collaboration with the Agency of Commerce and Community Development (ACCD) and the Agency of Natural Resources (ANR).*

*(A) As part of this review, the NRB shall solicit input from affected parties and the public, including planners, developers, municipalities, environmental advocacy organizations, regional planning commissions, regional development corporations, and business advocacy organizations such as State and regional chambers of commerce.*

*(B) Based on this review, the NRB shall adopt revisions in the form of a procedure under 3 V.S.A. chapter 25.*

*(2) ACCD shall work with the NRB and ANR to develop outreach material on Criterion 9L, including illustrative examples of appropriate development design, and implement a training plan on the criterion for local elected officials, municipal boards, State and regional organizations and associations, environmental groups, consultants, and developers.*

~~1 *Sec. 34. 10 V.S.A. § 6081(p) is amended to read:*~~

~~2 *(p) No permit or permit amendment is required for any change to a project*~~  
~~3 *that is located entirely within a downtown development district designated*~~  
~~4 *pursuant to 24 V.S.A. § 2793 or a growth center designated pursuant to*~~  
~~5 *24 V.S.A. § 2793c, if the change consists exclusively of any combination of*~~

1 ~~mixed use and mixed income housing, and the cumulative changes within any~~  
2 continuous period of five years, commencing on or after the effective date of  
3 this subsection, remain below the jurisdictional threshold applicable to the  
4 municipality specified in subdivision 6001(3)(B) subdivisions  
5 6001(3)(A)(I)(aa) through (ff) of this title. Notwithstanding any contrary  
6 provision of this chapter, mixed use that is exempt under this subsection may  
7 include small scale, low impact manufacturing.

*Sec. 34. [Deleted.]*

*Sec. 35. 24 V.S.A. § 4471(e) is amended to read:*

*(e) ~~Vermont~~ neighborhood Neighborhood development area. Notwithstanding subsection (a) of this section, a determination by an appropriate municipal panel shall not be subject to appeal if the determination is that a proposed residential development within a designated downtown development district, designated growth center, ~~or~~ designated Vermont neighborhood, or designated neighborhood development area seeking conditional use approval will not result in an undue adverse effect on the character of the area affected, ~~as provided in~~ under subdivision 4414(3)(A)(ii) of this title.*

*Sec. 36. 10 V.S.A. § 6086(a)(9)(B) is amended to read:*

*(B) Primary agricultural soils. A permit will be granted for the development or subdivision of primary agricultural soils only when it is demonstrated by the applicant that, in addition to all other applicable criteria, either, the subdivision or development will not result in any reduction in the agricultural potential of the primary agricultural soils; or:*

*(i) the development or subdivision will not significantly interfere with or jeopardize the continuation of agriculture or forestry on adjoining lands or reduce their agricultural or forestry potential; ~~and~~*

*(ii) except in the case of an application for a project located in a designated ~~growth center~~ area listed in subdivision 6093(a)(1) of this title, there are no lands other than primary agricultural soils owned or controlled by the applicant which are reasonably suited to the purpose of the development or subdivision; ~~and~~*

(iii) *except in the case of an application for a project located in a designated ~~growth-center~~ area listed in subdivision 6093(a)(1) of this title, the subdivision or development has been planned to minimize the reduction of agricultural potential of the primary agricultural soils through innovative land use design resulting in compact development patterns, so that the remaining primary agricultural soils on the project tract are capable of supporting or contributing to an economic or commercial agricultural operation; and*

(iv) *suitable mitigation will be provided for any reduction in the agricultural potential of the primary agricultural soils caused by the development or subdivision, in accordance with section 6093 of this title and rules adopted by the Natural Resources Board.*

*Sec. 37. 10 V.S.A. § 6310 is added to read:*

*§ 6310. CONSERVATION EASEMENT HOLDER; NONMERGER*

*If a holder of a conservation easement is or becomes the owner in fee simple of property subject to the easement, the easement shall continue in effect and shall not be extinguished.*

1 ~~Sec. 35-39. [Reserved]~~

*Secs. 38-39. [Reserved]*

2 \* \* \* Business Growth; Access to Capital;

3 Tourism and Marketing \* \* \*

4 ~~Sec. 40. TOURISM AND MARKETING INITIATIVE~~

5 (a) Of the amount by which the meals and rooms tax revenue for fiscal year  
6 2016 projected at the January 20, 2015, Emergency Board meeting exceeds the  
7 fiscal year 2016 projection for the meals and rooms tax at the July 24, 2014,  
8 Emergency Board meeting, up to 15 percent, but not more than \$750,000.00, is  
9 appropriated to the Agency of Commerce and Community Development to  
10 promote economic development strategies targeted to prospective employers  
11 ~~and employees outside the State;~~

1 ~~(1) to emphasize Vermont's long history of innovation, including~~  
2 ~~agricultural, business, and technical innovation, product design, and~~  
3 ~~entrepreneurship; and~~

4 ~~(2) to promote Vermont as both a great place to live and a great place to~~  
5 ~~do business.~~

6 ~~(b) The Agency of Commerce and Community Development may contract~~  
7 ~~with a private marketing firm located in Vermont to carry out the brand~~  
8 ~~initiative pursuant to this section~~

9 *Sec. 40. [Deleted.]*

10 Sec. 41. 6 V.S.A. chapter 207 is amended to read:

11 CHAPTER 207 PROMOTION AND MARKETING OF VERMONT FOODS

12 AND PRODUCTS

13 \* \* \*

14 Subchapter 3. Agricultural Exports

15 § 4621. DOMESTIC EXPORT PROGRAM

16 (a) The Secretary of Agriculture, Food and Markets, in collaboration with  
17 the Agency of Commerce and Community Development and the Chief  
18 Marketing Officer, shall have the authority to create a Domestic Export  
19 Program, the purpose of which may include:

20 (1) connecting Vermont producers with brokers, buyers, and distributors  
21 in other U.S. state and regional markets;

1           (2) providing technical and marketing assistance to Vermont producers  
2           to convert these connections into increased sales and sustainable commercial  
3           relationships; and

4           (3) providing one-time matching grants to attend trade shows and  
5           similar events to expand producers' market presence in other U.S. states,  
6           subject to available funding.

7           (b) The Secretary shall collect data on the activities and outcomes of the  
8           program authorized under this section and submit his or her findings and  
9           recommendations in a report on or before January 15 of each year to the House  
10           Committees on Agriculture and Forest Products and on Commerce and  
11           Economic Development and to the Senate Committees on Agriculture and on  
12           Economic Development, Housing and General Affairs.

13       Sec. 42. IMPLEMENTATION; DOMESTIC EXPORT PROGRAM

14           The Secretary of Agriculture, Food and Markets shall pursue grants and  
15           other funding, and shall seek to identify operational efficiencies within the  
16           Agency, in order to adequately sustain the creation and implementation of  
17           activities under the domestic export program authorized in 6 V.S.A. § 4621.

18       Sec. 43. 10 V.S.A. § 280bb is amended to read:

19       § 280bb. VERMONT ENTREPRENEURIAL LENDING PROGRAM

20           (a) There is created the Vermont Entrepreneurial Lending Program to be  
21           administered by the Vermont Economic Development Authority. The Program

1 shall seek to meet the working capital and capital-asset financing needs of  
2 Vermont-based businesses in seed, start-up, and growth stages. The Program  
3 shall specifically seek to fulfill capital requirement needs that are unmet in  
4 Vermont, including:

5 (1) loans ~~up to \$100,000.00~~ to manufacturing businesses and software  
6 developers with innovative products that typically reflect long-term, organic  
7 growth;

8 (2) loans up to \$1,000,000.00 in growth-stage companies that do not  
9 meet the underwriting criteria of other public and private entrepreneurial  
10 financing sources; and

11 (3) loans to businesses that are unable to access adequate capital  
12 resources because the primary assets of these businesses are typically  
13 intellectual property or similar nontangible assets.

14 \* \* \*

15 Sec. 44. PEER-TO-PEER LENDING; STUDY; REPORT

16 (a) The Department of Financial Regulation, in collaboration with the  
17 Agency of Commerce and Community Development, shall conduct a study and  
18 analysis of models for peer-to-peer lending and investment that will enable  
19 established entrepreneurs to connect with emerging entrepreneurs and  
20 increased lending, equity investment, and business mentoring while preserving  
21 adequate regulatory oversight and business consumer protection.

1       (b) The Department and the Agency shall report its findings and any  
2       recommendations for legislation on or before December 1, 2015, to the House  
3       Committee on Commerce and Community Development and to the Senate  
4       Committee on Economic Development, Housing and General Affairs.

5       Sec. 45. MEDIA PRODUCTION DATABASE

6       (a) The Agency of Commerce and Community Development shall create  
7       and maintain a current media production database, which it shall make  
8       available to the public through its website and other appropriate sources, of  
9       production resources that are in the State.

10       (b) The database shall be a searchable directory of media production  
11       professionals, including location scouts, lighting resources, animation, studios,  
12       equipment rental, sites, editing equipment, independent contractors who work  
13       in production, acting, and photographers.

14       (c) The Agency shall seek to partner with one or more Vermont colleges,  
15       universities, or other internship programs to support the creation and  
16       maintenance of the database pursuant to this section.

17       Sec. 46. Sec. 25 of Act 199 of 2014 (sunset of Treasurer's credit facility for  
18       local investments and Treasurer's local investment advisory committee) is  
19       amended to read:

20       Sec. 25. SUNSET

21       Secs. 23–24 of this act shall be repealed on July 1, ~~2015~~ 2016.

1 Secs. 47–49. [Reserved]

2 \* \* \* Fortified Wines \* \* \*

3 ~~Sec. 50. 7 V.S.A. § 2 is amended to read:~~

4 § 2. DEFINITIONS

5 The following words as used in this title, unless a contrary meaning is  
6 required by the context, shall have the following meaning:

7 \* \* \*

8 (10) “First-class license”: a license granted by the control  
9 commissioners permitting the licensee to sell malt or vinous beverages, except  
10 fortified wines, to the public for consumption only on the premises for which  
11 the license is granted.

12 \* \* \*

13 (19) “Second-class license”: a license granted by the control  
14 commissioners permitting the licensee to export malt or vinous beverages and  
15 to sell malt or vinous beverages to the public for consumption off the premises  
16 for which the license is granted. The Liquor Control Board may grant a  
17 second-class licensee a fortified wine permit that permits the licensee to export  
18 and to sell fortified wines to the public for consumption off the licensed  
19 premises.

20 (20) “Spirits” or “spirituous liquors”: beverages that contain more than  
21 ~~one percent of alcohol obtained by distillation, by chemical synthesis, or~~

1 ~~through concentration by freezing; and vinous beverages containing more than~~  
2 ~~16 23 percent of alcohol; and all vermouths of any alcohol content; malt~~  
3 ~~beverages containing more than 16 percent of alcohol or more than six percent~~  
4 ~~of alcohol if the terminal specific gravity thereof is less than 1.009; in each~~  
5 ~~case measured by volume at 60 degrees Fahrenheit.~~

6 \* \* \*

7 (22) "Third-class license": a license granted by the Liquor Control  
8 Board permitting the licensee to sell ~~spirituous liquors~~ spirits and fortified  
9 wines for consumption only on the premises for which the license is granted.

10 (23) "Vinous beverages": all fermented beverages of any name or  
11 description manufactured or obtained for sale from the natural sugar content of  
12 fruits; or other agricultural product, containing sugar, the alcoholic content of  
13 which is ~~not less than one percent nor more than 16 percent~~ at least one percent  
14 but no more than 23 percent by volume at 60 degrees Fahrenheit, ~~except that~~  
15 ~~all vermouths shall be purchased and retailed by and through the Liquor~~  
16 ~~Control Board as authorized in chapters 5 and 7 of this title~~ including fortified  
17 wines.

18 \* \* \*

19 (28) "Fourth-class license" or "farmers' market license": the license  
20 granted by the Liquor Control Board permitting a manufacturer or rectifier of  
21 ~~malt or vinous beverages or spirits to sell by the unopened container and~~

1 ~~distribute, by the glass, with or without charge, beverages manufactured by the~~  
2 licensee. No more than a combined total of ten fourth-class and farmers'  
3 market licenses may be granted to a licensed manufacturer or rectifier. At only  
4 one fourth-class license location, a manufacturer or rectifier of vinous  
5 beverages, malt beverages, or spirits may sell by the unopened container and  
6 distribute by the glass, with or without charge, vinous beverages, malt  
7 beverages, or spirits produced by no more than five additional manufacturers  
8 or rectifiers, provided these beverages are purchased on invoice from the  
9 manufacturer or rectifier. A manufacturer or rectifier of vinous beverages,  
10 malt beverages, or spirits may sell its product to no more than five additional  
11 manufacturers or rectifiers. A fourth-class licensee may distribute by the glass  
12 no more than two ounces of malt or vinous beverage, except fortified wine,  
13 with a total of eight ounces to each retail customer and no more than  
14 one-quarter ounce of spirits or fortified wine with a total of one ounce to each  
15 retail customer for consumption on the manufacturer's premises or at a  
16 farmers' market. A farmers' market license is valid for all dates of operation  
17 for a specific farmers' market location.

18 \* \* \*

19 (38) "Fortified wines": vinous beverages, including those to which  
20 ~~spirits have been added during manufacture, containing at least 16 percent~~

1 ~~alcohol but no more than 23 percent alcohol by volume at 60 degrees~~

2 Fahrenheit.

3 Sec. 51. 7 V.S.A. § 222 is amended to read:

4 § 222. FIRST- AND SECOND-CLASS LICENSES, GRANTING OF; SALE  
5 TO MINORS; CONTRACTING FOR FOOD SERVICE

6 With the approval of the Liquor Control Board, the control commissioners  
7 may grant the following licenses to a retail dealer for the premises where the  
8 dealer carries on business ~~the following:~~

9 \* \* \*

10 (2) Upon making application ~~and,~~ paying the license fee provided in  
11 section 231 of this title, and upon satisfying the Board that such premises are  
12 leased, rented, or owned by the retail dealer and are a safe, sanitary, and proper  
13 place from which to sell malt and vinous beverages, a second-class license ~~for~~  
14 ~~the premises where such dealer shall carry on the business,~~ which shall  
15 authorize such dealer to export malt and vinous beverages, and to sell malt and  
16 vinous beverages to the public from such premises for consumption off the  
17 premises ~~and upon satisfying the Board that such premises are leased, rented,~~  
18 ~~or owned by such retail dealers and are safe, sanitary, and a proper place from~~  
19 ~~which to sell malt and vinous beverages.~~ A retail dealer carrying on business  
20 in more than one place shall be required to acquire a second-class license for  
21 ~~each place where he or she shall so sell the retail dealer sells malt and vinous~~

1 ~~beverages. No malt or vinous beverages shall be sold by a second class~~

2 licensee to a minor.

3 \* \* \*

4 (5)(A) The holder of a first-class license may serve a sampler flight of  
5 up to 32 ounces in the aggregate of malt beverages to a single customer at one  
6 time.

7 (B) The holder of a first-class license may serve a sampler flight of  
8 up to 12 ounces in the aggregate of vinous beverages, except fortified wines, to  
9 a single customer at one time.

10 (C) The holder of a third-class license may serve a sampler flight of  
11 up to four ounces in the aggregate of ~~spirituous liquors~~ spirits or fortified wines  
12 to a single customer at one time.

13 (6) The Liquor Control Board may grant a fortified wine permit to a  
14 second class licensee if the licensee files an application accompanied by the  
15 license fee as provided in section 231 of this title. The holder of a fortified  
16 wine permit may sell fortified wines to the public from the licensed premises  
17 for consumption off the premises. The Liquor Control Board shall issue no  
18 ~~more than 200 fortified wine permits in any single year.~~

1 ~~Sec. 52. 7 V.S.A. § 224 is amended to read:~~

2 § 224. ~~THIRD-CLASS~~ THIRD-CLASS LICENSES; OPEN CONTAINERS

3 (a) ~~The liquor control board~~ Liquor Control Board may grant to a person  
4 who operates a hotel, restaurant, cabaret, or club a license of the third class if  
5 the person files an application accompanied by the license fee as provided in  
6 section 231 of this title for the premises in which the business of the hotel,  
7 restaurant, cabaret, or club is carried on. The holder of a ~~third class~~ third-class  
8 license may sell ~~spirituous liquors~~ spirits and fortified wines for consumption  
9 only on the premises covered by the license. The applicant for a ~~third class~~  
10 third-class license shall satisfy the ~~liquor control board~~ Liquor Control Board  
11 that the applicant is the bona fide owner or lessee of the premises and that the  
12 premises are operated for the purpose covered by the license.

13 \* \* \*

14 Sec. 53. 7 V.S.A. § 225 is amended to read:

15 § 225. EDUCATIONAL SAMPLING EVENT PERMIT

16 \* \* \*

17 (d) Taxes for the alcoholic beverages served at the event shall be paid as  
18 follows:

19 (1) Malt beverages: \$0.265 per gallon served.

20 (2) Vinous beverages, except fortified wines: \$0.55 per gallon served.

21 ~~(3) Spirituous liquors. \$19.80 per gallon served.~~

1 ~~(4) Fortified wines. \$19.80 per gallon served.~~

2 Sec. 54. 7 V.S.A. § 231 is amended to read:

3 § 231. FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

4 (a) The following fees shall be paid:

5 \* \* \*

6 (23) For a fortified wine permit, \$100.00.

7 \* \* \*

8 Sec. 55. 7 V.S.A. § 421 is amended to read:

9 § 421. TAX ON MALT AND VINOUS BEVERAGES

10 (a) Every bottler and wholesaler shall pay to the Commissioner of Taxes  
11 the sum of 26 and one-half cents per gallon for every gallon or its equivalent of  
12 malt beverage containing not more than six percent of alcohol by volume at  
13 60 degrees Fahrenheit sold by them to retailers in the State ~~and~~, the sum of  
14 55 cents per gallon for each gallon of malt beverage containing more than six  
15 percent of alcohol by volume at 60 degrees Fahrenheit and each gallon of  
16 vinous beverages, except fortified wines, sold by them to retailers in the ~~state~~  
17 ~~and State~~, and the sum of \$19.80 for each gallon of fortified wine sold by them  
18 to retailers in the State. Every bottler and wholesaler shall also pay to the  
19 Liquor Control Board all fees for bottler's and wholesaler's licenses. A  
20 manufacturer or rectifier of malt or vinous beverages shall pay the taxes  
21 ~~required by this subsection to the Commissioner of Taxes for all malt and~~

1 ~~vinous beverages, including fortified wines, manufactured or rectified by them~~  
2 and sold at retail.

3 \* \* \*

4 Sec. 56. 7 V.S.A. § 422 is amended to read:

5 § 422. TAX ON SPIRITUOUS LIQUOR

6 (a) A tax is assessed on the gross revenue ~~on~~ from the retail sale of  
7 spirituous liquor in the State of Vermont, ~~including fortified wine, sold by the~~  
8 Liquor Control Board, or ~~sold by~~ a manufacturer or rectifier of spirituous  
9 liquor, in accordance with the provisions of this title. The tax shall be at the  
10 following rates based on the gross revenue of the retail sales by the seller in the  
11 current year:

12 (1) if the gross revenue of the seller is \$500,000.00 or lower, the rate of  
13 tax is five percent;

14 (2) if the gross revenue of the seller is between \$500,000.00 and  
15 \$750,000.00, the rate of tax is \$25,000.00 plus 10 percent of the gross revenues  
16 over \$500,000.00;

17 (3) if the gross revenue of the seller is ~~over~~ \$750,000.00 or more, the  
18 rate of tax is 25 percent.

19 \* \* \*

1 ~~Sec. 57. STUDY; REPORT~~

2 ~~(a) On or before January 15, 2018, the Commissioner of Liquor Control, in~~  
3 ~~consultation with the holders of second-class licenses and fortified wine~~  
4 ~~permits, shall evaluate whether the number of fortified wine permits issued~~  
5 ~~pursuant to 7 V.S.A. § 222 is sufficient, and how the issuance of fortified wine~~  
6 ~~permits has affected the sales of fortified wines in Vermont and the variety of~~  
7 ~~fortified wines available to Vermont consumers.~~

8 ~~(b) The Commissioner of Liquor Control shall report to the House~~  
9 ~~Committee on General, Housing, and Military Affairs and the Senate~~  
10 ~~Committee on Economic Development, Housing, and General Affairs~~  
11 ~~regarding his or her findings on or before January 15, 2018. The~~  
12 ~~Commissioner's report shall include a recommendation regarding the~~  
13 ~~appropriate number of fortified wine permits to be issued pursuant to~~  
14 ~~7 V.S.A. § 222.~~

*Sec. 50. 7 V.S.A. § 2 is amended to read:*

*§ 2. DEFINITIONS*

*The following words as used in this title, unless a contrary meaning is required by the context, shall have the following meaning:*

*\* \* \**

*(15) "Manufacturer's or rectifier's license": a license granted by the Liquor Control Board that permits the holder to manufacture or rectify ~~spirituous liquors~~ spirits or fortified wines for export and sale to the Liquor Control Board, or malt beverages and vinous beverages for export and sale to bottlers or wholesale dealers. This license permits a manufacturer of vinous beverages or fortified wines to receive from another manufacturer licensed in or outside this ~~state~~ State bulk shipments of vinous beverages to rectify with the licensee's own product, provided that the vinous beverages or fortified*

*wines produced by a Vermont manufacturer may contain no more than 25 percent imported vinous beverage. The Liquor Control Board may grant to a licensed manufacturer or rectifier a first-class restaurant or cabaret license or first- and third-class restaurant or cabaret license permitting the licensee to sell alcoholic beverages to the public only at the manufacturer's premises, which, for the purposes of a manufacturer of malt beverages, includes up to two licensed establishments that are located on the contiguous real estate of the holder of the manufacturer's license, provided the manufacturer owns or has direct control over those establishments. A manufacturer of malt beverages who also holds a first-class restaurant or cabaret license may serve to a customer malt beverage by the glass, not to exceed eight glasses at one time and not to exceed four ounces in each glass. The Liquor Control Board may grant to a licensed manufacturer or a rectifier of malt beverages a second-class license permitting the licensee to sell alcoholic beverages to the public anywhere on the manufacturer's or rectifier's premises. A licensed manufacturer or rectifier of vinous beverages may serve, with or without charge, at an event held on premises of the licensee or the vineyard property, spirits and vinous and malt beverages, provided the licensee gives the Department written notice of the event, including details required by the Department, at least five days before the event. Any beverages not manufactured by the licensee and served at the event shall be purchased on invoice from a licensed manufacturer or wholesale dealer or the Liquor Control Board.*

\* \* \*

*(19) "Second-class license": a license granted by the control commissioners permitting the licensee to export malt or vinous beverages and to sell malt or vinous beverages to the public for consumption off the premises for which the license is granted. The Liquor Control Board may grant a second-class licensee a fortified wine permit that permits the licensee to export and to sell fortified wines to the public for consumption off the licensed premises.*

*(20) "Spirits" or "spirituous liquors": beverages that contain more than one percent of alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; ~~and~~ vinous beverages containing more than ~~16~~ 23 percent of alcohol; ~~and all vermouths of any alcohol content;~~ malt beverages containing more than 16 percent of alcohol or more than six percent of alcohol if the terminal specific gravity thereof is less than 1.009; in each case measured by volume at 60 degrees Fahrenheit.*

\* \* \*

(22) "Third-class license": a license granted by the Liquor Control Board permitting the licensee to sell ~~spirituous liquors~~ spirits and fortified wines for consumption only on the premises for which the license is granted.

(23) "Vinous beverages": all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits, or other agricultural product, containing sugar, the alcoholic content of which is not less than one percent nor more than 16 percent by volume at 60 degrees Fahrenheit, ~~except that all vermouths shall be purchased and retailed by and through the Liquor Control Board as authorized in chapters 5 and 7 of this title.~~

\* \* \*

~~(28) "Fourth class license" or "farmers' market license": the license granted by the Liquor Control Board permitting a manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages, fortified wines, or spirits to sell by the unopened container and distribute, by the glass, with or without charge, beverages manufactured by the licensee. No more than a combined total of ten fourth-class and farmers' market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth-class license location, a manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages, malt beverages, fortified wines, or spirits produced by no more than five additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell its product to no more than five additional manufacturers or rectifiers. A fourth-class licensee may distribute by the glass no more than two ounces of malt or vinous beverage with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits or fortified wine with a total of one ounce to each retail customer for consumption on the manufacturer's premises or at a farmers' market. A farmers' market license is valid for all dates of operation for a specific farmers' market location.~~

(27) "Special events permit": a permit granted by the Liquor Control Board permitting a person holding a manufacturer's or rectifier's license to sell by the glass or by unopened bottle spirits, fortified wines, malt beverages, or vinous beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local licensing authority. For the purposes of tasting only, the permit holder may distribute, with or without charge, beverages manufactured by the permit holder by the glass no more than two ounces per product and eight ounces total of malt beverages or vinous beverages and no more than one ounce in total of spirits or fortified

*wines to each individual. No more than ~~36~~ 104 special events permits may be issued to a holder of a manufacturer's or rectifier's license during a year. A special event permit shall be valid for the duration of each public event or four days, whichever is shorter. Requests for a special events permit, accompanied by the fee as required by subdivision 231(13) of this title, shall be submitted to the Department of Liquor Control at least five days prior to the date of the event. Each manufacturer or rectifier planning to attend a single special event under this permit may be listed on a single permit. However, each attendance at a special event shall count toward the manufacturer's or rectifier's ~~36~~ 104 special-event-permit limitation.*

*(28) "Fourth-class license" or "farmers' market license": the license granted by the Liquor Control Board permitting a manufacturer or rectifier of malt ~~or beverages~~, vinous beverages, fortified wines, or spirits to sell by the unopened container and distribute; by the glass, with or without charge, beverages manufactured by the licensee. No more than a combined total of ten fourth-class and farmers' market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth-class license location, a manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages, malt beverages, fortified wines, or spirits produced by no more than five additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier of vinous beverages, malt beverages, fortified wines, or spirits may sell its product to no more than five additional manufacturers or rectifiers. A fourth-class licensee may distribute by the glass no more than two ounces of malt beverages or vinous beverage with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits or fortified wine with a total of one ounce to each retail customer for consumption on the manufacturer's premises or at a farmers' market. A fourth class licensee may distribute by the glass up to four mixed drinks containing a combined total of no more than one ounce of spirits or fortified wine to each retail customer for consumption only on the manufacturer's premises. A farmers' market license is valid for all dates of operation for a specific farmers' market location.*

\* \* \*

*(38) "Fortified wines": vinous beverages, including those to which spirits have been added during manufacture, containing at least 16 percent alcohol but no more than 23 percent alcohol by volume at 60 degrees Fahrenheit, and all vermouths containing no more than 23 percent alcohol by volume at 60 degrees Fahrenheit.*

Sec. 51. 7 V.S.A. § 104 *is amended to read:*

§ 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

*The Board shall have supervision and management of the sale of ~~spirituous liquors~~ spirits and fortified wines within the State in accordance with the provisions of this title, and through the Commissioner of Liquor Control shall:*

\* \* \*

Sec. 52. 7 V.S.A. § 107 *is amended to read:*

§ 107. DUTIES OF COMMISSIONER OF LIQUOR CONTROL

*The ~~commissioner of liquor control~~ Commissioner of Liquor Control shall:*

\* \* \*

(2) *Make regulations subject to the approval of the ~~board~~ Board governing the hours during which such agencies shall be open for the sale of ~~spirituous liquors~~, spirits and fortified wines and governing the qualifications ~~and~~, department, and salaries of the agencies' employees ~~therein and the salaries thereof~~.*

(3) *Make regulations subject to the approval of the ~~board~~ Board governing:*

*(A) the prices at which ~~spirituous liquors~~ spirits shall be sold ~~in such~~ by local agencies, ~~and the method of for their delivery thereof~~, and the quantities of ~~spirituous liquors to~~ spirits that may be sold to any one person at any one time; and*

*(B) the minimum prices at which fortified wines shall be sold by local agencies and second-class licensees that hold fortified wine permits, the method for their delivery, and the quantities of fortified wines that may be sold to any one person at any one time.*

(4) *Supervise the quantities and qualities of ~~spirituous liquor~~ spirits and fortified wines to be kept as stock in ~~such~~ local agency agencies and make regulations subject to the approval of the ~~board~~ Board regarding the filling of requisitions therefor on the ~~commissioner of liquor control~~ Commissioner of Liquor Control.*

(5) *Purchase through the ~~commissioner of buildings and general services~~ spirituous liquors Commissioner of Buildings and General Services spirits and fortified wines for and in behalf of the ~~liquor control board~~ Liquor Control Board, supervise the storage thereof and the distribution to local agencies, druggists ~~and~~, licensees of the third class, and holders of fortified wine permits, and make regulations subject to the approval of the ~~board~~ Board regarding the sale and delivery from ~~such~~ the central storage plant.*

\* \* \*

Sec. 53. 7 V.S.A. § 110 is amended to read:

**§ 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF  
LIQUOR CONTROL**

If any person shall desire to purchase any class, variety, or brand of ~~spirituous liquor~~ spirits or fortified wine which any local agency or fortified wine permit holder does not have in stock, the ~~commissioner of liquor control~~ Commissioner of Liquor Control shall order the same through the ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services upon the payment of a reasonable deposit by the purchaser in such proportion of the approximate cost of the order as shall be prescribed by the regulations of the ~~liquor control board~~ Liquor Control Board.

Sec. 54. 7 V.S.A. § 112 is amended to read:

**§ 112. LIQUOR CONTROL FUND**

The ~~liquor control fund~~ Liquor Control Fund is hereby established. It shall consist of all receipts from the sale of spirits, fortified wines, and other items by the ~~department of liquor control~~ Department of Liquor Control; fees paid to the ~~department of liquor control~~ Department of Liquor Control for the benefit of the ~~department~~ Department; all other amounts received by the ~~department of liquor control~~ Department of Liquor Control for its benefit; and all amounts ~~which that~~ are from time to time appropriated to the department of liquor control Department of Liquor Control.

Sec. 55. 7 V.S.A. § 222 is amended to read:

**§ 222. FIRST- AND SECOND-CLASS LICENSES, GRANTING OF; SALE  
TO MINORS; CONTRACTING FOR FOOD SERVICE**

With the approval of the Liquor Control Board, the control commissioners may grant the following licenses to a retail dealer for the premises where the dealer carries on business ~~the following~~:

\* \* \*

(2) Upon making application ~~and~~, paying the license fee provided in section 231 of this title, and upon satisfying the Board that such premises are leased, rented, or owned by the retail dealer and are a safe, sanitary, and proper place from which to sell malt and vinous beverages, a second-class license for the premises where such dealer shall carry on the business, which shall authorize such dealer to export malt and vinous beverages, and to sell malt and vinous beverages to the public from such premises for consumption off the premises and upon satisfying the Board that such premises are leased,

~~rented, or owned by such retail dealers and are safe, sanitary, and a proper place from which to sell malt and vinous beverages. A retail dealer carrying on business in more than one place shall be required to acquire a second-class license for each place where he or she shall so sell the retail dealer sells malt and vinous beverages. No malt or vinous beverages shall be sold by a second-class licensee to a minor.~~

\* \* \*

(5)(A) ~~The holder of a first-class license may serve a sampler flight of up to 32 ounces in the aggregate of malt beverages to a single customer at one time.~~

(B) ~~The holder of a first-class license may serve a sampler flight of up to 12 ounces in the aggregate of vinous beverages to a single customer at one time.~~

(C) ~~The holder of a third-class license may serve a sampler flight of up to four ounces in the aggregate of spirituous liquors spirits or fortified wines to a single customer at one time.~~

~~(6) The Liquor Control Board may grant a fortified wine permit to a second-class licensee if the licensee files an application accompanied by the license fee as provided in section 231 of this title. The holder of a fortified wine permit may sell fortified wines to the public from the licensed premises for consumption off the premises. The Liquor Control Board shall issue no more than 150 fortified wine permits in any single year. The holder of a fortified wine permit shall purchase all fortified wines to be offered for sale to the public pursuant to the permit through the Liquor Control Board at a price equal to no more than 75 percent of the current retail price for the fortified wine established by the Commissioner pursuant to subdivision 107(3)(B) of this title.~~

Sec. 56. 7 V.S.A. § 224 is amended to read:

§ 224. ~~THIRD-CLASS~~ THIRD-CLASS LICENSES; OPEN CONTAINERS

(a) ~~The liquor control board~~ Liquor Control Board may grant to a person who operates a hotel, restaurant, cabaret, or club a license of the third class if the person files an application accompanied by the license fee as provided in section 231 of this title for the premises in which the business of the hotel, restaurant, cabaret, or club is carried on. ~~The holder of a third-class~~ third-class license may sell ~~spirituous liquors~~ spirits and fortified wines for consumption only on the premises covered by the license. ~~The applicant for a third-class~~ third-class license shall satisfy ~~the liquor control board~~ Liquor Control Board that the applicant is the bona fide owner or lessee of the

*premises and that the premises are operated for the purpose covered by the license.*

\* \* \*

*(c) A person who holds a ~~third-class~~ third-class license shall purchase from the ~~liquor control board~~ Liquor Control Board all ~~spirituous liquors~~ spirits and fortified wines dispensed in accordance with the provisions of the ~~third class~~ third-class license and this title.*

*Sec. 57. 7 V.S.A. § 225 is amended to read:*

*§ 225. EDUCATIONAL SAMPLING EVENT PERMIT*

*(a) The ~~liquor control board~~ Liquor Control Board may grant an educational sampling event permit to a person to conduct an event that is open to the public and at which malt beverages, vinous beverages, fortified wines, or ~~spirituous liquors~~ spirits, or all ~~three~~ four are served only for the purposes of marketing and educational sampling, provided the event is also approved by the local licensing authority. At least 15 days prior to the event, an applicant shall submit an application to the ~~department~~ Department in a form required by the ~~department~~ Department. The application shall include a list of the alcoholic beverages to be acquired for sampling at the event, and the application shall be accompanied by a fee in the amount required pursuant to section 231 of this title. No more than four educational sampling event permits shall be issued annually to the same person. An educational sampling event permit shall be valid for no more than four consecutive days. The permit holder shall ~~assure~~ ensure all the following:*

\* \* \*

*(b) An educational sampling event permit holder:*

\* \* \*

*(2) May transport malt beverages, vinous beverages, fortified wines, and ~~spirituous liquors~~ spirits to the event site, and those beverages may be served at the event by the permit holder or the holder's employees, volunteers, or representatives of a manufacturer, bottler, or importer participating in the event, provided they meet the server age and training requirements under this chapter.*

*(3) ~~[Deleted.]~~ [Repealed.]*

\* \* \*

*(d) Taxes for the alcoholic beverages served at the event shall be paid as follows:*

\* \* \*

(3) *Spirituous liquors: \$19.80 per gallon served.*

(4) *Fortified wines: \$19.80 per gallon served.*

Sec. 58. 7 V.S.A. § 231 is amended to read:

§ 231. *FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES*

(a) *The following fees shall be paid:*

\* \* \*

(23) *For a fortified wine permit, \$100.00.*

\* \* \*

Sec. 59. 7 V.S.A. § 422 is amended to read:

§ 422. *TAX ON SPIRITUOUS LIQUOR*

(a) *A tax is assessed on the gross revenue ~~on~~ from the ~~retail~~ sale of ~~spirituous liquor~~ spirits and fortified wines in the State of Vermont, ~~including fortified wine, sold by the Liquor Control Board, or sold by~~ the retail sale of spirits and fortified wines in Vermont by a manufacturer or rectifier of spirituous liquor ~~spirits or fortified wines~~, in accordance with the provisions of this title. The tax shall be at the following rates based on the gross revenue of the retail sales by the seller in the current year:*

(1) *if the gross revenue of the seller is \$500,000.00 or lower, the rate of tax is five percent;*

(2) *if the gross revenue of the seller is between \$500,000.00 and \$750,000.00, the rate of tax is \$25,000.00 plus 10 percent of the gross revenues over \$500,000.00;*

(3) *if the gross revenue of the seller is ~~over~~ \$750,000.00 or more, the rate of tax is 25 percent.*

\* \* \*

Sec. 60. *STATUTORY REVISION*

*The Legislative Council, in its statutory revision capacity pursuant to 2 V.S.A. § 424, is authorized to correct instances of the words "spirituous liquors" and "spirits" appearing in Title 7 of the Vermont Statutes Annotated to "spirits and fortified wines" as necessary to implement the intent of the revisions to 7 V.S.A. § 2 in this act.*

Sec. 61. *STUDY; REPORT*

(a) On or before January 15, 2018, the Commissioner of Liquor Control, in consultation with the holders of second-class licenses and fortified wine permits, shall evaluate whether the number of fortified wine permits issued pursuant to 7 V.S.A. § 222 is sufficient, and how the issuance of fortified wine permits has affected the sales of fortified wines in Vermont and the variety of fortified wines available to Vermont consumers.

(b) The Commissioner of Liquor Control shall report to the House Committee on General, Housing and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs regarding his or her findings on or before January 15, 2018. The Commissioner's report shall include a recommendation regarding the appropriate number of fortified wine permits to be issued pursuant to 7 V.S.A. § 222.

~~Secs. 58-99. [Reserved]~~

Sec. 62. [Reserved]

Sec. 63. 13 V.S.A. § 4010 is amended to read:

§ 4010. GUN SILENCERS

(a) Except as otherwise provided in subsection (b) of this section, a person who manufactures, sells, uses, or possesses with intent to sell or use an appliance known as or used for a gun silencer shall be fined \$25.00 for each offense. The provisions of this section shall not prevent the use or possession of gun silencers by:

\* \* \*

(b) Subsection (a) of this section shall not apply to a licensed manufacturer, as defined in 18 U.S.C. § 921, who is also registered as a manufacturer pursuant to 26 U.S.C. § 5802, for the purpose of manufacturing, joint production, calibration, integration, incorporation, testing, permanent and temporary export, permanent and temporary import, research and development, repair, or sale of silencers in accordance with federal, State, and local law.

Secs. 64-65. [Reserved]

Sec. 66. PREWRITTEN SOFTWARE ACCESSED REMOTELY

Charges for the right to access and use prewritten software run on underlying infrastructure that is not managed or controlled by the purchaser or any related company shall not be considered tangible personal property under 32 V.S.A. § 9701(7).

*Secs. 67–70. [Reserved]*

*Sec. 71. 32 V.S.A. § 5930a(c)(2) is amended to read:*

*(2) ~~The new jobs should make a net positive contribution to employment in the area, and meet or exceed the prevailing compensation level including wages and benefits, for the particular employment sector~~ consistent with the applicable wage threshold for the labor market area. The new jobs should offer benefits and opportunities for advancement and professional growth consistent with the employment sector.*

*Sec. 72. 32 V.S.A. § 5930b is amended to read:*

*§ 5930b. VERMONT EMPLOYMENT GROWTH INCENTIVE*

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

*\* \* \**

*(24) “Wage threshold” means the minimum annualized Vermont gross wages and salaries paid, as determined by the Council, but not less than:*

*(A) 60 percent above the minimum wage at the time of application, ~~in order for a new job to be a qualifying job under this section; or~~*

*(B) 40 percent above the State minimum wage at the time of application for a businesses located in a labor market area of this State in which the unemployment rate is greater than the average unemployment rate for the State.*

*(25) “Labor market area” means a labor market area as designated by the Vermont Department of Labor.*

*(b) Authorization process.*

*(1) A business may apply to the Vermont Economic Progress Council for approval of a performance-based employment growth incentive to be paid out of the business’s withholding account upon approval by the Department of Taxes pursuant to the conditions set forth in this section. Businesses shall not be permitted to deduct approved incentives from withholding liability payments otherwise due. In addition to any other information that the Council may require in order to fulfill its obligations under section 5930a of this title, an employment growth incentive application shall include all the following information:*

*(A) application base number of jobs;*

*(B) total jobs at time of application;*

*(C) application base payroll;*

*(D) total payroll at time of application;*

*(E) jobs target for each year in the award period;*

*(F) payroll target for each year in the award period;*

*(G) capital investment target for each year in the award period; and*

*(H) a statement signed by the president or chief executive officer or equivalent acknowledging that to the extent the applicant fails to meet the minimum capital investment by the end of the award period, any incentives remaining to be earned shall be limited, and any incentives taken shall be subject to complete or partial reversal, pursuant to subdivisions (c)(10) and (11) of this section.*

*(2) The Council shall review each application in accordance with section 5930a of this title, except that the Council may provide for an initial approval pursuant to the conditions set forth in subsection 5930a(c), followed by a final approval at a later date, before December 31 of the calendar year in which the economic activity commences.*

*(3) Except as provided in subdivision (5) of this subsection, the value of the incentives will be dependent upon the net fiscal benefit resulting from projected qualifying payroll and qualifying capital investment. An incentive ratio shall be applied to the net fiscal benefit generated by the cost-benefit model in order to determine the maximum award the Council may authorize for each application it approves. The Council may establish a threshold for wages in excess of, but not less than, the wage threshold, as defined in subsection (a) of this section for individual applications the Council wishes to approve. The Council shall calculate an incentive percentage for each approved application as follows:*

*Authorized award amount ÷ the five-year sum of all payroll targets*

*(4) An approval shall specify: the application base jobs at the time of the application; total jobs at time of application; the application base payroll; total payroll at time of application; the incentive percentage; the wage threshold; the payroll thresholds; a job target for each year of the award period; a payroll target for each year of the award period; a capital investment target for each year of the award period and description sufficient for application of subdivisions (c)(10) and (11) of this section of the nature of qualifying capital investment over the award period upon which approval shall be conditioned; and the amount of the total award. The Council shall provide a copy of each approval to the Department of Taxes along with a copy of the application submitted by that applicant.*

*(5)(A) Notwithstanding subdivision (3) of this subsection, the Council may authorize incentives in excess of net fiscal benefit multiplied by the incentive ratio ~~not to exceed an annual authorization established by law for~~ for*

awards to businesses located in a labor market area in which the unemployment rate is greater than the average unemployment rate for the State or in which the average annual wage is below the average annual wage for the State.

(B)(i) Except as provided in subdivision (5)(B)(ii) of this subsection, the total amount of employment growth incentives the Vermont Economic Progress Council is authorized to approve under subdivision (5)(A) of this subsection shall not exceed \$1,000,000.00 from the General Fund.

(ii) The Council shall have the authority to exceed the cap imposed in subdivision (5)(B)(i) of this subsection upon application to and approval by the Emergency Board.

(c) Claiming an employment growth incentive.

\* \* \*

(6)(A) A business whose application is approved and, in the first, second, or third year of the award period, fails to meet or exceed its payroll target and one out of two of its jobs and capital investment targets may not claim incentives in that year. To the extent such business reaches its first, second, or third year award period targets within the succeeding two calendar year reporting periods immediately succeeding year one, two, or three of the award period, or within the extended period if an extension is granted under subdivision (B) of this subdivision (6), whichever is applicable, such business may claim incentives in five-year installments as provided in subdivisions (1) through (4) of this subsection. A business which fails to meet or exceed its payroll target and one of its two jobs and capital investment targets within this time frame shall forfeit all authority under this section to earn and claim incentives for award period year one, two, or three, as applicable, and any future award period years. The Department of Taxes shall notify the Vermont Economic Progress Council that the first, second, or third year award period targets have not been met within the prescribed period, and the Council shall rescind authority for the business to earn incentives for the activity in year one, two, or three, as applicable, and any future award period years.

(B)(i) Notwithstanding subdivision (6)(A) of this subsection, if a business determines that it may not reach its first or second year award period targets within the succeeding two calendar year reporting periods due to facts or circumstances beyond its control, the business may request that the Council extend the period to meet the targets for another two reporting periods, reviewed annually, for award year one, and one reporting period for award year two.

(ii) The Council may grant an extension pursuant to this subdivision (B) if it determines that the business failed to meet its targets due to facts or circumstances beyond the control of the business and that there is a reasonable likelihood the business will meet the award period targets within the extension period.

(iii) If the Council grants an extension pursuant to this subdivision (B), the Council shall re-calculate the value of the incentive using the cost-benefit model and adjust the amount of the award as is necessary to account for the extension of the award period.

\* \* \*

(h) Enhanced training incentive. Notwithstanding any provision of law to the contrary, the Council may award an enhanced training incentive as follows:

(1) A business whose incentive application is approved may elect to claim an enhanced training incentive at any time during the award period by:

(A) notifying the Council of its intent to pursue an enhanced training incentive and dedicate its incentive funds to training through the Vermont Training Program or a Workforce Education and Training Fund program; and

(B) applying for a grant from the Vermont Training Program or the Workforce Education and Training Fund to perform training for new employees who hold qualifying jobs.

(2) If the business successfully completes new employee training pursuant to the terms of its training grant and uses incentive funds to cover a 25 percent share of the training costs, the Agency of Commerce and Community Development, or the Department of Labor, as applicable, shall disburse grant funds for on-the-job training of not more than 75 percent of wages for each employee in training, or not more than 75 percent of trainer expense upon successful completion of training hours.

(3) The Department of Taxes shall reimburse the Agency or the Department for 25 percent of the wages or trainer expense incurred by the Vermont Training Program or the Workforce Education and Training Fund pursuant to subdivision (2) of this subsection.

(4) If the business successfully completes its training and meets or exceeds its payroll target and either its jobs target or capital investment target, the Council shall approve the enhanced training incentive and notify the Department of Taxes.

(5) Upon notification by the Council, the Department of Taxes shall disburse to the business a payment in an amount equal to the business's cost

for training and the cost of the reimbursement to the Vermont Training Program or the Workforce Education and Training Fund for training expenses pursuant to subdivision (3) of this subsection. The Department shall disburse the remaining value of the incentive award in annual installments pursuant to subdivision (c)(2) of this section.

(6)(A) If, during the utilization period for the incentive paid pursuant to this subsection (h), the business fails to maintain the qualifying jobs or qualifying payroll established in the award year, or does not reestablish qualifying jobs or qualifying payroll to 100 percent of the award year level, the Department of Taxes shall recapture the enhanced incentive pursuant to subsection (d) of this section.

(B) The amount of recapture shall equal the sum of the installments that the Department would have disbursed if it had paid the incentive in five-year installments pursuant to subdivision (c)(2) of this section for the years during the utilization period that the qualifying jobs or qualifying payroll were not maintained.

(i) Overall gross cap on total employment growth incentive and education tax incentive authorizations.

(1) For any calendar year, the total amount of employment growth incentives the Vermont Economic Progress Council is authorized to approve under this section and property tax stabilizations under 32 V.S.A. § 5404a(a) shall not exceed \$10,000,000.00 from the General Fund and Education Fund combined each year.

(2) The Council shall have the authority to exceed the cap imposed in subdivision (1) of this subsection upon application to and approval by the Emergency Board.

Sec. 73. 2006 Acts and Resolves No. 184, Sec. 11 is amended to read:

~~Sec. 11. VEGI; ANNUAL CALENDAR YEAR CAPS~~

~~(a) Net negative awards cap. Notwithstanding any other provision of law, in any calendar year, the annual authorization for the total net fiscal cost of Vermont employment growth incentives that the Vermont economic progress council or the economic incentive review board may approve under 32 V.S.A. § 5930b(b)(5) shall not exceed \$1,000,000.00 from the general fund.~~

~~(b) Restrictions to labor market area. Employment growth incentives within the annual authorization amount in subsection (a) of this section shall be granted solely for awards to businesses located in a labor market area of this state in which the rate of unemployment is greater than the average for the state or in which the average annual wage is below the average annual wage~~

~~for the state. For the purposes of this section, a "labor market area" shall be as determined by the department of labor.~~

~~(e) Overall gross cap on total employment growth incentive and education tax incentive authorizations. For any calendar year, the total amount of employment growth incentives the Vermont economic progress council or the economic incentive review board is authorized to approve under 32 V.S.A. § 5930b and property tax stabilizations and allocations under 32 V.S.A. § 5404a(a) and (e) shall not exceed \$10,000,000.00 from the general fund and education fund combined each year. This maximum annual amount may be exceeded by the Vermont economic progress council upon application to and approval by the Emergency Board. [Repealed.]~~

~~Sec. 74. 10 V.S.A. § 531(d) is amended to read:~~

~~(d) In order to avoid duplication of programs or services and to provide the greatest return on investment from training provided under this section, the Secretary of Commerce and Community Development shall:~~

~~(1) consult with the Commissioner of Labor regarding whether the grantee has accessed, or is eligible to access, other workforce education and training resources;~~

~~(2) disburse grant funds only for training hours that have been successfully completed by employees; provided that, except for an award under an enhanced training incentive as provided in 32 V.S.A. § 5930b(h), a grant for on-the-job training shall either provide not more than 50 percent of wages for each employee in training, or not more than 50 percent of trainer expense, but not both, and further provided that training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and~~

~~(3) use funds under this section only to supplement training efforts of employers and not to replace or supplant training efforts of employers.~~

~~Secs. 75–99. [Reserved]~~

1 ~~Sec. 100. EFFECTIVE DATES~~

2 ~~This act shall take effect on July 1, 2015, except, notwithstanding 1 V.S.A.~~  
3 ~~§ 214, Secs. 1–4 (Vermont Employment Growth Incentive provisions) shall~~  
4 ~~take effect retroactively as of January 1, 2015.~~

~~Sec. 100. EFFECTIVE DATE~~

~~This act shall take effect on July 1, 2015.~~

*Sec. 100. EFFECTIVE DATES*

(a) Except as otherwise provided in subsection (b) of this section, this act shall take effect on July 1, 2015.

(b) Notwithstanding 1 V.S.A. § 214, other than 32 V.S.A. § 5930b(c) (extension of time to meet first or second year award targets), Secs. 71–74 (Vermont Employment Growth Incentive provisions) shall take effect retroactively as of January 1, 2015.