

1 TO THE HONORABLE SENATE:

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

8 * * * Purpose * * *

9 **Sec. 1. PURPOSE**

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

13 * * * Relocating Employee Incentives * * *

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

15 § 4. NEW RELOCATING EMPLOYEE INCENTIVES

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

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

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

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

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

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

9 (c) The Agency shall:

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

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

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

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

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

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

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

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

13 (e) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

19 Sec. 3. THINK VERMONT REGIONAL RECRUITMENT AND
20 RELOCATION NETWORK

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

10 (1) Leverage all available state and federal resources,

11 (2) Provide a regionally customized customer support pathway for
12 potential residents.

13 (3) Receive, respond and track leads generated by State marketing
14 efforts,

15 (4) Ensure that every inquiry is responded to in a timely, appropriate
16 way in support of future employment and successful relocation,

17 (5) Collaborate with regional employers on their recruitment efforts to
18 maximize the sharing of information about employment opportunities and
19 promote placements or “matching” of applicants,

20 (6) Track, share, and report information between other regional contacts,
21 state agencies and departments.

1 (7) Evolve and respond to new needs and resources.

2 (b) System Infrastructure.

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

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

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

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

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

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

19 (7) The Department shall work to coordinate and enhance these efforts
20 to create a wrap-around system of support, information, and recordkeeping.

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

7 (d) Promotion and Marketing.

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

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

13 (A) secure and maintain positive earned media coverage in national,
14 regional, and other news media,

15 (B) extend the reach of positive news coverage through owned media
16 channels,

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

19 (D) utilize targeting techniques to reach key populations in high
20 demand occupations in sectors facing workforce shortages in Vermont, as well
21 as individuals of diverse backgrounds.

1 (e) Report. The Department shall include the following metrics in addition
2 to a progress update and any recommendations annually to the General
3 Assembly.

4 (1) Number of inquiries received, and individuals served in each region,
5 by region; and,

6 (2) Employment and relocation status data on all individuals served.

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

10 * * * Capital Investment Grant Program * * *

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

12 Sec. H.18 CAPITAL INVESTMENT GRANT PROGRAM

13 (a) Creation; purpose; regional outreach.

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

18 (2) The purpose of the program is to make funding available for
19 transformational projects that will provide each region of the State with the
20 opportunity to attract businesses, retain existing businesses, create jobs, and

1 invest in their communities by encouraging capital investments and economic
2 growth.

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

7 (b) Eligible applicants.

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

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

13 (B) The applicant is:

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

16 (II) a nonprofit entity; and

17 (ii) grant funding from the Program represents not more than 50
18 20 percent of the total project cost.

19 (C) The applicant demonstrates:

20 (i) community and regional support for the project;

21 (ii) that grant funding is needed to complete the project;

1 (iii) leveraging of additional sources of funding from local, State,
2 or federal economic development programs; and

3 (iv) an ability to manage the project, with requisite experience and
4 a plan for fiscal viability.

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

6 (A) a State or local government-operated business;

7 (B) a municipality;

8 (C) a business that, together with any affiliated business, owns or
9 operates more than 20 locations, regardless of whether those locations do
10 business under the same name or within the same industry; and

11 (D) a publicly-traded company.

12 (c) Awards; amount; eligible uses.

13 (1) An award shall not exceed the lesser of ~~\$1,500,000.00~~ \$1,000,000 or
14 the estimated net State fiscal impact of the project based on Agency modeling
15 20 percent of the total project cost.

16 (2) A recipient may use grant funds for the acquisition of property and
17 equipment, construction, renovation, and related capital expenses.

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

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

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

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

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

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

12 (e) Application process; decisions; awards.

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

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

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

- 1 ~~(A) increase to grand list value;~~
- 2 ~~(B) improvements to supply chain;~~
- 3 ~~(C) jobs impact, including the number and quality of jobs; and~~
- 4 ~~(D) increase to State GDP.~~

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

- 15 (A) transformational nature of the project for the region;
- 16 (B) project readiness, quality, and demonstrated collaboration with
17 stakeholders and other funding sources;
- 18 (C) alignment and consistency with regional plans and priorities; and
- 19 (D) creation and retention of workforce opportunities.

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

4 (f) Grant agreements; post award monitoring.

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

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

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

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

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

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

4 (h) Implementation.

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

11 (2) In developing these guidelines and processes, the Agency and the
12 Joint Fiscal Office shall examine the full range of program options to use funds
13 in the most impactful way.

14 (3) When considering whether and how to prioritize economic sectors
15 that have suffered economic harm due to the COVID-19 pandemic, the Agency
16 may designate one or more sectors for priority consideration through the
17 Program, including the arts and culture, travel, lodging, tourism, and childcare
18 sectors, provided that the Agency demonstrates that such sector has
19 experienced above average economic harm and therefore requires additional
20 assistance.

21 * * * VEDA Short-term Forgivable Loans * * *

1 Sec. 5. VEDA **SHORT-TERM** FORGIVABLE LOANS

2 (a) The Vermont Economic Development Authority shall create a
3 Forgivable Loan Program to support Vermont businesses experiencing
4 continued working capital shortfalls as a result of the COVID 19 public health
5 emergency.

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

9 (1) An applicant may demonstrate economic harm from lost revenue,
10 increased costs, challenges covering payroll, rent or mortgage interest, or other
11 operating costs which threaten the capacity of the business to weather financial
12 hardships and result in general financial insecurity due to the COVID 19 public
13 health emergency.

14 (2) The Authority shall measure economic harm by a material decline in
15 the applicant's annual adjusted net operating income before the COVID 19
16 public health emergency relative to its annual adjusted net operating income
17 during the COVID 19 public health emergency.

18 (3) When assessing an applicant's adjusted net operating income, the
19 Authority shall consider previous COVID-19 State and federal subsidies,
20 reasonable owner's compensation, non-cash expenses, and other adjustments
21 deemed appropriate.

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

3 (d) A loan shall not exceed the lesser of \$250,000.00 or six months of
4 eligible operating expenses based on historical financial performance prior to
5 the COVID 19 public health emergency and the cumulative decline in adjusted
6 net operating income during the COVID 19 public health emergency, and the
7 Authority shall not consider the amount of an employer's reduced
8 compensation that exceeds \$100,000.00.

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

11 (f) The Vermont Economic Development Authority shall consult with the
12 legislative Joint Fiscal Office to develop guidelines and approval processes for
13 the VEDA Forgivable Loan Program and shall submit the proposed guidelines
14 and processes to the Joint Fiscal Committee for approval prior to accepting
15 applications or awarding grants through the Program.

16 (2) In developing these guidelines and processes, the Authority and the
17 Joint Fiscal Office shall examine the full range of program options to use funds
18 in the most impactful way.

19 (g) When considering whether and how to prioritize economic sectors that
20 have suffered economic harm due to the COVID-19 pandemic, the Authority
21 may designate one or more sectors for priority funding through the Program,

1 including the arts and culture, travel, lodging, tourism, and childcare sectors,
2 provided that the Authority demonstrates that such sector has experience above
3 average economic harm and therefore requires additional assistance.

4 * * * Project-Based Tax Increment Financing * * *

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

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

8 (1) the City of Burlington, Downtown;

9 (2) the City of Burlington, Waterfront;

10 (3) the ~~Town of Milton, North and South~~ Town of Bennington;

11 (4) the ~~City of Newport~~ City of Montpelier;

12 (5) the City of Winooski;

13 (6) the ~~Town of Colchester~~;

14 (~~7~~) the Town of Hartford;

15 (~~8~~)(7) the City of St. Albans;

16 (~~9~~)(8) the City of Barre;

17 (~~10~~)(9) the Town of Milton, Town Core; and

18 (~~11~~)(10) the City of South Burlington.

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

2 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
3 FINANCING DISTRICTS

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

7 * * *

8 (b)(1) An agreement affecting the education property tax grand list defined
9 under subsection (a) of this section shall reduce the municipality's education
10 property tax liability under this chapter for the duration of the agreement or
11 exemption without extension or renewal, and for a maximum of 10 years. A
12 municipality's property tax liability under this chapter shall be reduced by any
13 difference between the amount of the education property taxes collected on the
14 subject property and the amount of education property taxes that would have
15 been collected on such property if its fair market value were taxed at the
16 equalized nonhomestead rate for the tax year.

17 (2) Notwithstanding any other provision of law, if a municipality has
18 entered into an agreement that reduces the municipality's education property
19 tax liability under this chapter and the municipality establishes a tax increment
20 financing district under 24 V.S.A. chapter 53, subchapter 5, the municipality's
21 municipal and education tax increment shall be calculated based on the

1 assessed value of the properties in the municipality’s grand list and not on the
2 stabilized value.

3 * * *

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

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

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

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

19 (B) The Council shall consider complete applications in the order
20 they are submitted, except that if during any calendar month the Council
21 receives applications for more districts than are actually available in a county,

1 the Council shall evaluate each application and shall approve the application
2 that, in the Council's discretion, best meets the economic development needs
3 of the county.

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

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

12 * * *

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

17 * * *

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

20 * * *

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

4 * * *

5 (C) The project will affect the remediation and redevelopment of a
6 brownfield located within the district. In the case of a brownfield, the Vermont
7 Economic Progress Council is authorized to adopt rules pursuant to
8 subsection (j) of this section to clarify what is a reasonable improvement, as
9 defined in 24 V.S.A. § 1891, to remediate and stimulate the development or
10 redevelopment in the district. As used in this section, “brownfield” means an
11 area in which a hazardous substance, pollutant, or contaminant is or may be
12 present, and that situation is likely to complicate the expansion, development,
13 redevelopment, or reuse of the property.

14 * * *

15 Sec. 8. TAX INCREMENT FINANCING PROJECT DEVELOPMENT;

16 PILOT PROGRAM

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

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

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

9 (3) “Financing” means debt incurred, including principal, interest, and
10 any fees or charges directly related to that debt, or other instruments or
11 borrowing used by a municipality to pay for improvements and related costs
12 for the approved project, only if authorized by the legal voters of the
13 municipality in accordance with 24 V.S.A. § 1894. Payment for eligible
14 related costs may also include direct payment by the municipality using the
15 district increment. However, such anticipated payments shall be included
16 in the vote by the legal voters of the municipality in accordance with
17 subsection (f) of this section. If interfund loans within the municipality are
18 used as the method of financing, no interest shall be charged. Bond
19 anticipation notes may be used as a method of financing and may qualify as a
20 municipality’s first incurrence of debt. A municipality that uses a bond
21 anticipation note during the third or sixth year that a municipality may incur

1 debt pursuant to subsection (f) of this section shall incur all permanent
2 financing not more than one year after issuing the bond anticipation note.

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

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

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

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

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

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

5 (A) clearly require substantial public investment over and above the
6 normal municipal operating or bonded debt expenditures;

7 (B) only include public improvements that are integral to the
8 expected private development; and

9 (C) meet one of the following four criteria:

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

12 (ii) The project will affect the remediation and redevelopment of a
13 brownfield located within the district. As used in this section, “brownfield”
14 means an area in which a hazardous substance, pollutant, or contaminant is or
15 may be present, and that situation is likely to complicate the expansion,
16 development, redevelopment, or reuse of the property.

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

1 (iv) The development will enhance transportation by creating
2 improved traffic patterns and flow or creating or improving public
3 transportation systems.

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

10 (11) “TIF project zone” means an area located within one or more active
11 designations approved by the Vermont Downtown Development Board under
12 24 V.S.A. chapter 76A, or located within an industrial park as defined in 10
13 V.S.A. § 212(7), for the parcels in a municipality that have nexus to the
14 project.

15 (b) Pilot program. Beginning on January 1, 2023 and ending on December
16 31, 2027, the Vermont Economic Progress Council is authorized to approve a
17 total of not more than four tax increment financing projects, with not more
18 than three projects per year; provided, however, that there shall not be more
19 than one project per municipality.

20 (c) General authority. Under the pilot program established in
21 subsection (b) of this section, a municipality, upon approval of its

1 legislative body, may apply to the Vermont Economic Progress Council
2 pursuant to the process set forth in subsection (e) of this section to use tax
3 increment financing for a project.

4 (d) Eligibility.

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

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

10 (B) the proposed infrastructure improvements and the projected
11 development or redevelopment are compatible with confirmed municipal and
12 regional development plans and the project has clear local and regional
13 significance for employment, housing, brownfield remediation, or
14 transportation improvements.

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

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

1 (1)(A) Review each application to determine that the infrastructure
2 improvements proposed to serve the project and the proposed development in
3 the project would not have occurred as proposed in the application, or would
4 have occurred in a significantly different and less desirable manner than as
5 proposed in the application, but for the proposed utilization of the incremental
6 tax revenues.

7 (B) The review shall take into account:

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

12 (ii) how the proposed project components and size would differ, if
13 at all, including, if applicable to the project, in the number of units of
14 affordable housing, as defined in 24 V.S.A. § 4303, without education property
15 tax increment financing; and

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

18 (II) the percentage of that revenue that shall be paid to the
19 Education Fund;

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

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

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

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

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

14 The creation of the project shall occur at 12:01 a.m. on April 1 of the calendar
15 year the municipal legislative body votes to approve the tax increment
16 financing project plan.

17 (C) the municipality has approved or pledged the utilization of
18 incremental municipal tax revenues for the purposes of the project in the
19 proportion set for in subsection (i)(2) of this section.

20 (f) Incurring indebtedness.

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

5 (2) Notwithstanding any provision of any municipal charter, the
6 municipality shall only require one authorizing vote to incur debt through one
7 instance of borrowing to finance or otherwise pay for the tax increment
8 financing project improvements and related costs; provided, however, that a
9 municipality may present one or more subsequent authorization votes in the
10 event a vote fails. The municipality shall be authorized to incur indebtedness
11 only after the legal voters of the municipality, by a majority vote of all voters
12 present and voting on the question at a special or annual municipal meeting
13 duly warned for the purpose, authorize the legislative body to pledge the credit
14 of the municipality, borrow, or otherwise secure the debt for the specific
15 purposes so warned. The creation of the project shall occur at 12:01 a.m. on
16 April 1 of the calendar year the municipal legislative body votes to approve the
17 tax increment financing project plan.

18 (3) Any indebtedness shall be incurred within three years from the date
19 of approval by the Vermont Economic Progress Council, unless the Vermont
20 Economic Progress Council grants an extension of an additional three years
21 pursuant to the substantial change process set forth in the 2015 TIF Rule;

1 provided, however, that an updated plan is submitted prior to the three-year
2 termination date of the project.

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

10 (h) Tax increments.

11 (1) In each year following the approval of the project, the lister or
12 assessor shall include not more than the original taxable value of the real
13 property in the assessed valuation upon which the treasurer computes the rates
14 of all taxes levied by the municipality and every other taxing district in which
15 the project is situated, but the treasurer shall extend all rates so determined
16 against the entire assessed valuation of real property for that year. In each year
17 for which the assessed valuation exceeds the original taxable value, the
18 municipality shall hold apart, rather than remit to the taxing districts, that
19 proportion of all taxes paid that year on the real property within the project that
20 the excess valuation bears to the total assessed valuation. The amount held
21 apart each year is the “tax increment” for that year. Not more than the

1 percentages established pursuant to subsection (i) of this section of the
2 municipal and State education tax increments received with respect to the
3 project and committed for the payment for financing for improvements and
4 related costs shall be segregated by the municipality in a special tax increment
5 financing project account and in its official books and records until all capital
6 indebtedness of the project has been fully paid. The final payment shall be
7 reported to the treasurer, who shall thereafter include the entire assessed
8 valuation of the project in the assessed valuations upon which municipal and
9 other tax rates are computed and extended and thereafter no taxes from the
10 project shall be deposited in the project's tax increment financing account.

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

13 (3) Notwithstanding any charter provision or other provision, all
14 property taxes assessed within a project shall be subject to the provision of
15 subdivision (1) of this subsection. Special assessments levied under 24 V.S.A.
16 chapter 76A or 87 or under a municipal charter shall not be considered
17 property taxes for the purpose of this section if the proceeds are used
18 exclusively for operating expenses related to properties within the project and
19 not for improvements within the district as defined in subdivision (a)(3) of this
20 section.

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

4 (i) Use of tax increment.

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

14 (2) Use of the municipal property tax increment. For only debt incurred
15 within the period permitted under subdivision (e)(3) of this section after
16 approval of the project, not less than 85 percent of the municipal tax increment
17 shall be retained to service the debt, beginning the first year in which debt is
18 incurred, pursuant to subdivision (1) of this subsection.

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

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

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

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

18 (2) Provide, as required by events, notification to the Vermont
19 Economic Progress Council and the Department of Taxes regarding any tax
20 increment financing development project debt obligations, public votes, or
21 votes by the municipal legislative body immediately following such obligation

1 or vote on a form prescribed by the Council, including copies of public notices,
2 agendas, minutes, vote tally, and a copy of the information provided to the
3 public in accordance with 24 V.S.A. § 1894(i).

4 (3) Annually:

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

10 (B) On or before February 15 of each year, on a form prescribed by
11 the Council, submit an annual report to the Vermont Economic Progress
12 Council and the Department of Taxes, including the information required by
13 subdivision (2) of this section if not already submitted during the year, all
14 information required by subdivision (A) of this subdivision (3), and the
15 information required by 32 V.S.A. § 5404a(i), including performance measures
16 and any other information required by the Council or the Department of Taxes.

17 (1) Annual report. The Vermont Economic Progress Council and the
18 Department of Taxes shall submit an annual report to the Senate Committees
19 on Economic Development, Housing and General Affairs and on Finance and
20 the House Committees on Commerce and Economic Development and on
21 Ways and Means on or before ~~April~~ January 1 each year. The report shall

1 include the date of approval, a description of the project, the original taxable
2 value of the property subject to the project development, the scope and value
3 of projected and actual improvements and developments in the TIF Project
4 Zone, projected and actual incremental revenue amounts, and division of the
5 increment revenue between project debt, the Education Fund, the special
6 account required by subdivision (h)(1) and the municipal General Fund,
7 projected and actual financing, and a set of performance measures developed
8 by the Vermont Economic Progress Council, which may include outcomes
9 related to the criteria for which the municipality applied and the amount of
10 infrastructure work performed by Vermont firms.

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

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

18 (2) On or before April 1, ensure that the project is subject to the annual
19 audit prescribed in 24 V.S.A. § 1681 or 1690 and submit a copy to the
20 Vermont Economic Progress Council. In the event that the audit is only
21 subject to the audit under 24 V.S.A. § 1681, the Vermont Economic Progress

1 Council shall ensure a process is in place to subject the project to an
2 independent audit. Procedures for the audit must include verification of the
3 original taxable value and annual and total municipal and education tax
4 increments generated, expenditures for debt and related costs, and current
5 balance.

6 (n) Authority to issue decisions.

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

13 (2) The Vermont Economic Progress Council shall prepare
14 recommendations for the Secretary prior to the issuance of a decision. As
15 appropriate, the Council may prepare such recommendations in consultation
16 with the Commissioner of Taxes, the Attorney General, and the State
17 Treasurer. In preparing recommendations, the Council shall provide a
18 municipality with a reasonable opportunity to submit written information in
19 support of its position. The Secretary shall review the recommendations of the
20 Council and issue a final written decision on each matter within 60 days
21 following the receipt of the recommendations. The Secretary may permit an

1 appeal to be taken by any party to a Superior Court for determination of
2 questions of law in the same manner as the Supreme Court may by rule
3 provide for appeals before final judgment from a Superior Court before issuing
4 a final decision.

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

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

9 § 1891. DEFINITIONS

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

11 * * *

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

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

20 * * *

1 (2) Supply chain disruptions and labor shortages related to the COVID-
2 19 pandemic have caused significant inflation and increases in the cost of
3 living for Vermonters.

4 (3) Increasing Vermont’s minimum wage will better align the statutory
5 minimum wage with the actual conditions in Vermont’s labor market and will
6 help lower-wage workers to better afford the cost of essential goods and
7 services.

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

9 § 384. EMPLOYMENT; WAGES

10 (a)(1) An employer shall not employ any employee at a rate of less than
11 ~~\$10.96. Beginning on January 1, 2021, an employer shall not employ any~~
12 ~~employee at a rate of less than \$11.75. Beginning on January 1, 2022, an~~
13 ~~employer shall not employ any employee at a rate of less than \$12.55.~~
14 Beginning on January 1, 2023, an employer shall not employ any employee at
15 a rate of less than \$13.75. Beginning on January 1, 2024, an employer shall
16 not employ any employee at a rate of less than \$15.00, and on each subsequent
17 January 1, the minimum wage rate shall be increased by five percent or the
18 percentage increase of the Consumer Price Index, CPI-U, U.S. city average,
19 not seasonally adjusted, or successor index, as calculated by the U.S.
20 Department of Labor or successor agency for the 12 months preceding the
21 previous September 1, whichever is smaller, but in no event shall the minimum

1 wage be decreased. The minimum wage shall be rounded off to the nearest
2 \$0.01.

3 * * *

4 * * * COVID-19 Paid Sick Leave Grant Program * * *

5 **Sec. 14. FINDINGS AND INTENT**

6 **(a) The General Assembly finds that:**

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

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

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

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

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

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

20 **(B) improve employee retention;**

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

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

2 (6) The Front-Line Employees Hazard Pay Grant Program established
3 pursuant to 2020 Acts and Resolves No. 136, § 6 and expanded pursuant to
4 2020 Acts and Resolves No. 168, § 1 successfully directed millions of dollars
5 in hazard pay to front-line workers during the first year of the COVID-19
6 pandemic. By utilizing grants to employers, who in turn provided the hazard
7 pay to their employees, the Program enabled employers to retain employees
8 and reward them for their hard work during the uncertainty of the early months
9 of the COVID-19 pandemic.

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

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

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

20 (2) The sum of \$ [REDACTED] is appropriated from the American Rescue
21 Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of

1 Administration in fiscal year 2023 for the provision of grants to reimburse
2 employers for the cost of providing COVID-19-related sick leave.

3 (b) As used in this section:

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

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

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

8 (B) self-isolating pursuant to the recommendation of a health care
9 provider or a State or federal public health official because the employee has
10 been exposed to COVID-19 or the employee is experiencing symptoms of
11 COVID-19;

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

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

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

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

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

5 (D) attending an appointment for the employee or the employee’s
6 parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster
7 child to receive a vaccine or a vaccine booster for protection against COVID-
8 19; or

9 (E) experiencing symptoms, or caring for a parent, grandparent,
10 spouse, child, sibling, parent-in-law, grandchild, or foster child who is
11 experiencing symptoms, related to a vaccine or a vaccine booster for protection
12 against COVID-19.

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

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

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

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

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

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

7 (2) An employer’s grant amount may include reimbursement for
8 retroactively provided COVID-19-related paid leave to employees who took
9 unpaid leave for a COVID-19-related reason during the program period
10 because the employee did not have sufficient accrued paid leave available at
11 the time that the employee took the leave.

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

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

1 (d)(1) The Secretary shall:

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

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

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

10 (D) develop and implement an audit strategy to assess grant
11 utilization, the performance of the Program, and compliance with Program
12 requirements.

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

15 (B) The Secretary may enter into agreements, memoranda of
16 understanding, or contracts with private entities as necessary to implement or
17 administer the Program and, notwithstanding any provision of law to the
18 contrary, shall not be required to competitively bid any contracts entered into
19 pursuant to this subdivision (2)(B). For the purposes of the Program, the
20 ongoing public health risk posed by COVID-19 shall be deemed to be an

1 emergency situation that justifies the execution of sole source contracts
2 pursuant to Bulletin 3.5, the State’s Procurement and Contracting Procedures.

3 (e)(1) Employers may apply for grants to either reimburse a portion of the
4 cost of COVID-19-related paid leave provided to employees or to provide
5 funds to be use to retroactively provide paid leave to employees who took
6 unpaid leave for COVID-19-related reasons.

7 (A) For reimbursement of COVID-19-related paid leave that was
8 already provided, the employer may, subject to the limitations of subdivision
9 (2) of this subsection, apply for a grant in an amount equal the number of hours
10 of COVID-19-related paid leave provided to each employee multiplied by the
11 greater of either the 67 percent of the minimum wage established pursuant to
12 21 V.S.A. § 384 or 67 percent of the employee’s regular hourly wage.

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

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

1 (B) The maximum number of hours of COVID-19-related leave for
2 each employee that an employer may seek grant funding for through the
3 Program shall equal the lesser of 80 hours or two times the employee’s average
4 weekly hours worked for the employer during the six months preceding the
5 date of the first application relating to that employee.

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

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

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

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

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

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

6 (h) Any personally identifiable information that is collected by the
7 Program, any entity of State government performing a function of the Program,
8 or any entity that the Secretary contracts with to perform a function of the
9 Program shall be kept confidential and shall be exempt from inspection and
10 copying under the Public Records Act.

11 * * * Study of Paid Family and Medical Leave Insurance * * *

12 Sec. 14b. FINDINGS

13 The General Assembly finds that:

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

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

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

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

5 REPORT

6 (a) Creation. There is created the Paid Family and Medical Leave
7 Insurance Task Force to reexamine the work and report of the Study
8 Committee on Employee Funded Paid Leave created pursuant to 2013 Acts
9 and Resolves No. 31, § 13 and to investigate proven and tested paid family and
10 medical leave insurance programs in the United States in order to develop an
11 understanding of the best practices and implementation possibilities for the
12 potential enactment of an equitable, affordable, and universal paid family and
13 medical leave insurance program in Vermont.

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

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

18 and

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

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

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

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

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

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

10 (D) exigencies related to a family member serving in the U.S. Armed
11 Forces;

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

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

16 (B) administrative requirements and considerations;

17 (C) advantages relative to the other models;

18 (D) examples from other jurisdictions and the experience of the
19 programs in those jurisdictions;

20 (E) benefits and drawbacks; and

1 (F) any other considerations that the Task Force determines are
2 relevant; and

3 (3) opportunities to utilize tested and proven administrative models or
4 public-private partnerships to reduce administrative costs of a paid family and
5 medical leave insurance program or to enable a paid family and medical leave
6 insurance benefits to be established more quickly.

7 (d) Assistance.

8 (1) The Task Force shall have the administrative assistance of the Office
9 of Legislative Operations, the technical assistance of the Joint Fiscal Office,
10 and the legal assistance of the Office of Legislative Counsel.

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

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

18 (f) Meetings.

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

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

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

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

5 (g) Compensation and reimbursement. For attendance at meetings during
6 adjournment of the General Assembly, a legislative member of the Task Force
7 shall be entitled to per diem compensation and reimbursement of expenses
8 pursuant to 2 V.S.A. § 23 for not more than six meetings.

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

14 * * * Unemployment Insurance Benefits * * *

15 **Sec. 14d. FINDINGS**

16 **The General Assembly finds that:**

17 **(1) The COVID-19 pandemic caused significant disruption to**
18 **Vermont's economy and resulted in unprecedented levels of unemployment.**

19 **(2) Unemployment insurance benefits provide only partial wage**
20 **replacement, making it hard for unemployed individuals to afford basic**
21 **necessities and living expenses.**

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

5 (4) Temporarily increasing the weekly unemployment insurance benefit
6 amount for unemployed individuals will help to mitigate the impact of the
7 COVID-19 pandemic on the unemployed individuals' ability to afford basic
8 necessities and living expenses.

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

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

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

16 § 1341. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL
17 BENEFIT

18 (a) Beginning on July 1, 2022, in addition to the amount of regular
19 unemployment insurance benefits provided pursuant to section 1338 of this
20 title, each individual who qualifies for benefits pursuant to the provisions of
21 this chapter shall receive a separate supplemental benefit of \$25.00 each week.

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

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

5 § 1342. UNEMPLOYMENT INSURANCE COVID-19 SUPPLEMENTAL
6 BENEFIT SPECIAL FUND

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

16 **Sec. 14h.** APPROPRIATION

17 \$8,000,000.00 is appropriated from the American Rescue Plan Act (ARPA)
18 – Coronavirus State Fiscal Recovery Funds to the Unemployment Insurance
19 COVID-19 Supplemental Benefit Special Fund established pursuant to
20 21 V.S.A. § 1342. Not more than five percent of the amount appropriated may
21 be used for administrative costs related to the implementation and payment of

1 the Unemployment Insurance COVID-19 Supplemental Benefit established
2 pursuant to 21 V.S.A. § 1341.

3 **Sec. 14i.** REPEALS

4 21 V.S.A. § 1341 (Unemployment Insurance COVID-19 Supplemental
5 Benefit) and 21 V.S.A. § 1342 (Unemployment Insurance COVID-19
6 Supplemental Benefit Special Fund) are repealed on July 1, 2024.

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

8 § 1338. WEEKLY BENEFITS

9 * * *

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

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

20 * * *

1 **Sec. 14k.** MODIFICATION OF UNEMPLOYMENT INSURANCE

2 MAINFRAME CODE; ANNUAL REPORT; INDEPENDENT

3 VERIFICATION

4 (a)(1) The Commissioner of Labor shall develop and implement changes to
5 the unemployment insurance mainframe software or develop a modernized
6 information technology system necessary to implement on January 1, 2025 the
7 changes to the unemployment insurance weekly benefit amount enacted
8 pursuant to Sec. 19g of this act. The changes to the mainframe or the
9 modernized information technology system, as applicable, shall be developed
10 and implemented in a manner that minimizes risk to the operation of the
11 mainframe and the functions of the unemployment insurance program.

12 (2) The Commissioner of Labor and the Secretary of Digital Services
13 shall, to the greatest extent possible, plan and carry out the development and
14 implementation of a modernized information technology system for the
15 unemployment insurance program so that the modernized system is available
16 in time to implement on January 1, 2025 the changes to the unemployment
17 insurance weekly benefit amount enacted pursuant to Sec. 19g of this act.

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

1 Technology Consultant retained by the Joint Fiscal Office detailing the actions
2 taken and progress made in carrying out the requirements of subsection (a) of
3 this section, the anticipated timeline for being able to implement the changes to
4 the unemployment insurance weekly benefit amount enacted pursuant to Sec.
5 19g of this act, and potential implementation risks identified during the
6 development process.

7 (c) The Legislative Information Technology Consultant shall, on or before
8 February 15, 2023 and February 15, 2024, submit to the House Committee on
9 Commerce and Economic Development and the Senate Committee on
10 Economic Development, Housing and General Affairs a review of the report
11 submitted pursuant to subsection (b) of this section. The review shall include
12 an assessment of whether the Department of Labor will be able to implement
13 the changes to the unemployment insurance weekly benefit amount enacted
14 pursuant to Sec. 19g of this act by January 1, 2025 and shall identify any
15 potential risks or concerns related to implementation that are not addressed in
16 the Commissioner’s report.

17 **Sec. 14I.** 21 V.S.A. § 1338 is amended to read:

18 § 1338. WEEKLY BENEFITS

19 * * *

20 (e) An individual’s weekly benefit amount shall be determined by dividing
21 the individual’s two high quarter total subject wages required under

1 subdivision (d)(1) of this section by 45 and adding \$25.00 to the resulting
2 quotient, provided that the weekly benefit amount so determined shall not
3 exceed the maximum weekly benefit amount computed pursuant to
4 subsection (f) of this section.

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

9 * * *

10 * * * Appropriations * * *

11 Sec. 15. APPROPRIATIONS

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

14 (1) Worker recruitment. The amount of \$6,000,000.00 is appropriated
15 from the General Fund to the Agency of Commerce and Community

16 Development for worker recruitment activities as follows:

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

19 (B) \$5,000,000 in one-time funding for the program in fiscal year
20 2023.

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

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

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

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

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

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

15 (c) VEDA Forgivable Loan Program. In fiscal year 2022 the amount of
16 \$20,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) –
17 Coronavirus State Fiscal Recovery Funds to the Vermont Economic
18 Development Authority for the VEDA Forgivable Loan Program.

19 (d) Brownfields. In fiscal year 2022 the amount of \$6,000,000.00 is
20 appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State
21 Fiscal Recovery Funds to the Agency of Commerce and Community

1 Development \$6,000,000 to be used in the same manner as the Brownfields
2 Revitalization Fund established by 10 V.S.A. § 6654, except notwithstanding
3 the grant limitations in 10 V.S.A. § 6654, projects supported by this
4 appropriation shall not be limited to \$200,000 grants per parcel.

5 * * * Effective Dates * * *

6 Sec. 16. EFFECTIVE DATES

7 (a) Sec. 4 (Capital Investment Grant Program), Sec. 5 (VEDA Forgivable
8 Loan Program), and Sec. 15(b)-(d) (appropriations) shall take effect on
9 passage.

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

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

16 (2) Secs. 14g (special fund), 14h (appropriation for temporary
17 unemployment insurance supplemental benefit), and 14i (sunset of
18 unemployment insurance supplemental benefit) shall take effect on July 1,
19 2022.

