

1 H.841

2 Introduced by Representatives Harrison of Chittenden, Bancroft of Westford,
3 Baser of Bristol, Brumsted of Shelburne, Condon of Colchester,
4 Conquest of Newbury, Devereux of Mount Holly, Dickinson of
5 St. Albans Town, Fagan of Rutland City, Gannon of
6 Wilmington, Higley of Lowell, Hooper of Randolph, Keefe of
7 Manchester, Kimbell of Woodstock, LaClair of Barre Town,
8 Marcotte of Coventry, McCoy of Poultney, Myers of Essex,
9 Parent of St. Albans Town, Read of Fayston, Scheuermann of
10 Stowe, Sibia of Dover, Turner of Milton, Willhoit of
11 St. Johnsbury, and Wright of Burlington

12 Referred to Committee on

13 Date:

14 Subject: Commerce and trade; economic development

15 Statement of purpose of bill as introduced: This bill proposes to (1) increase
16 the amounts available under the downtown and village tax credit program;
17 (2) expand access to the Vermont Employment Growth Incentive Program for
18 small businesses; (3) create the ThinkVermont Innovation Initiative to provide
19 flexible funding for economic development grants; (4) create a homeowner's
20 rehabilitation tax credit pilot program; (5) expand assistance for repairing
21 failing or failed wastewater or water supply systems; (6) increase the amounts

1 available under the first-time homebuyer down payment assistance program;
2 (7) expand eligible uses of energy efficiency funds in self-administered energy
3 efficiency programs; (8) make 50 percent of the research and development tax
4 credit refundable; (9) create a framework for public-private partnerships; and
5 (10) increase the frequency for reviewing a village center designation to once
6 every eight years and adopt miscellaneous amendments to enable municipal
7 electronic filings.

8 An act relating to miscellaneous economic development provisions

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

10 * * * Downtown and Village Tax Credit Program;

11 Increasing Amount of Annual Tax Credits * * *

12 Sec. 1. 32 V.S.A. § 5930ee is amended to read:

13 § 5930ee. LIMITATIONS

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

16 (1) the total amount of tax credits awarded annually, together with sales
17 tax reallocated under section 9819 of this title, does not exceed ~~\$2,400,000.00~~
18 \$2,650,000.00;

1 (2) a total annual allocation of ~~no~~ not more than 30 percent of these tax
2 credits in combination with sales tax reallocation may be awarded in
3 connection with all of the projects in a single municipality;

4 (3) façade tax credits shall not be available for projects that qualify for
5 the federal rehabilitation tax credit;

6 (4) no credit shall be allowed under this subchapter for the cost of
7 acquiring any building or interest in a building;

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

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

15 * * * Vermont Employment Growth Incentive Program * * *

16 Sec. 2. 32 V.S.A. chapter 105, subchapter 2 is amended to read:

17 Subchapter 2. Vermont Employment Growth Incentive Program

18 § 3330. PURPOSE; FORM OF INCENTIVES; ENHANCED INCENTIVES;

19 ELIGIBLE APPLICANT

20 (a) Purpose. The purpose of the Vermont Employment Growth Incentive
21 Program is to generate net new revenue to the State by encouraging a business

1 to add new payroll, create new jobs, and make new capital investments and by
2 sharing a portion of the revenue with the business.

3 (b) Form of incentives; enhanced incentives.

4 (1) The Vermont Economic Progress Council may approve an incentive
5 under this subchapter in the form of a direct cash payment in annual
6 installments.

7 (2) The Council may approve the following enhanced incentives:

8 (A) an enhanced incentive for a business in a labor market area with
9 higher than average unemployment or lower than average wages pursuant to
10 section 3334 of this title;

11 (B) an enhanced incentive for an environmental technology business
12 pursuant to section 3335 of this title; and

13 (C) an enhanced incentive for a ~~business that participates in a State~~
14 ~~workforce training program~~ small business, start-up business, or mission-based
15 business pursuant to section 3336 of this title.

16 (c) Eligible applicant. Only a business may apply for an incentive pursuant
17 to this subchapter.

18 * * *

19 § 3333. CALCULATING THE VALUE OF AN INCENTIVE

20 Except as otherwise provided for an enhanced incentive for a business in a
21 qualifying labor market area under section 3334 of this title; an enhanced

1 incentive for an environmental technology business under section 3335 of this
2 title;~~;~~ or an enhanced incentive for ~~workforce training a small business, start-up~~
3 business, or mission-based business under section 3336 of this title, the
4 Council shall calculate the value of an incentive for an award year as follows:

5 * * *

6 § 3334. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING
7 LABOR MARKET AREA

8 (a) The Council may increase the value of an incentive for a business that is
9 located in a labor market area in which:

10 (1) the average annual unemployment rate is greater than the average
11 annual unemployment rate for the State; or

12 (2) the average annual wage is less than the average annual wage for the
13 State.

14 (b) ~~In each calendar year, the amount by which the Council may increase~~
15 ~~the value of all incentives pursuant to this section is:~~

16 (1) ~~\$1,500,000.00 for one or more initial approvals; and~~

17 (2) ~~\$1,000,000.00 for one or more final approvals.~~

18 (c) ~~The Council may increase the cap imposed in subdivision (b)(2) of this~~
19 ~~section by not more than \$500,000.00 upon application by the Governor to,~~
20 ~~and approval of, the Joint Fiscal Committee.~~

1 ~~(d) In evaluating the Governor's request, the Committee shall consider the~~
2 ~~economic and fiscal condition of the State, including recent revenue forecasts~~
3 ~~and budget projections.~~

4 ~~(e) The Council shall provide the Committee with testimony,~~
5 ~~documentation, company specific data, and any other information the~~
6 ~~Committee requests to demonstrate that increasing the cap will create an~~
7 ~~opportunity for return on investment to the State.~~

8 ~~(f) The purpose of the enhanced incentive for a business in a qualifying~~
9 ~~labor market area is to increase job growth in economically disadvantaged~~
10 ~~regions of the State, as provided in subsection (a) of this section.~~

11 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL

12 TECHNOLOGY BUSINESS

13 (a) As used in this section, an "environmental technology business" means
14 a business that:

15 (1) is subject to income taxation in Vermont; and

16 (2) seeks an incentive for economic activity in Vermont that the
17 Secretary of Commerce and Community Development certifies is primarily
18 research, design, engineering, development, or manufacturing related to one or
19 more of the following:

20 (A) waste management, including waste collection, treatment,
21 disposal, reduction, recycling, and remediation;

1 (B) natural resource protection and management, including water and
2 wastewater purification and treatment, air pollution control and prevention or
3 remediation, soil and groundwater protection or remediation, and hazardous
4 waste control or remediation;

5 (C) energy efficiency or conservation;

6 (D) clean energy, including solar, wind, wave, hydro, geothermal,
7 hydrogen, fuel cells, waste-to-energy, or biomass;

8 (E) the reduction of water pollution, including the reduction of
9 sediment and harmful nutrient pollution such as phosphorus and nitrogen, and
10 other activities supporting the goals of the Vermont Clean Water Act, 2015
11 Acts and Resolves No. 64.

12 (b) The Council shall consider and administer an application from an
13 environmental technology business pursuant to the provisions of this
14 subchapter, except that:

15 (1) the business's potential share of new revenue growth shall be
16 90 percent; and

17 (2) to calculate qualifying payroll, the Council shall:

18 (A) determine the background growth rate in payroll for the
19 applicable business sector in the award year;

20 (B) multiply the business's full-time payroll for the award year by
21 20 percent of the background growth rate; and

1 (C) subtract the product from the payroll performance requirement
2 for the award year.

3 (c) The purpose of the enhanced incentive for an environmental technology
4 business is to promote the growth of businesses in Vermont that both create
5 and sustain ~~high-quality~~ high-quality jobs and improve the natural
6 environment.

7 § 3336. ENHANCED INCENTIVE FOR ~~WORKFORCE TRAINING~~
8 SMALL BUSINESS, START-UP BUSINESS, AND MISSION-
9 BASED BUSINESS

10 (a) ~~A business whose application is approved may elect to claim the~~
11 ~~incentive specified for an award year as an enhanced training incentive by:~~

12 ~~(1) notifying the Council of its intent to pursue an enhanced training~~
13 ~~incentive and dedicate its incentive funds to training through the Vermont~~
14 ~~Training Program; and~~

15 ~~(2) applying for a grant from the Vermont Training Program to perform~~
16 ~~training for one or more new employees who hold qualifying jobs.~~

17 (b) ~~If a business is awarded a grant for training under this section, the~~
18 ~~Agency of Commerce and Community Development shall disburse grant funds~~
19 ~~for on the job training of 75 percent of wages for each employee in training or~~
20 ~~75 percent of trainer expense, and the business shall be responsible for the~~
21 ~~remaining 25 percent of the applicable training costs.~~

1 ~~(c) A business that successfully completes its training shall submit a~~
2 ~~written certificate of completion to the Agency of Commerce and Community~~
3 ~~Development which shall notify the Department of Taxes.~~

4 ~~(d) Upon notification by the Agency, and if the Department determines that~~
5 ~~the business has earned the incentive for the award year, it shall:~~

6 ~~(1) disburse to the business a payment in an amount equal to 25 percent~~
7 ~~of the cost for training expenses pursuant to subsection (b) of this section;~~

8 ~~(2) disburse to the Agency of Commerce and Community Development~~
9 ~~a payment in an amount equal to 25 percent of the cost for training expenses~~
10 ~~pursuant to subsection (b) of this section; and~~

11 ~~(3) disburse the remaining value of the incentive in annual installments~~
12 ~~pursuant to section 3337 of this title.~~

13 As used in this section:

14 (1) “Mission-based business” means a business that at the time of
15 application is one of the following:

16 (A) a domestic limited liability company that has elected to be a low-
17 profit limited liability company and meets the requirements specified in
18 11 V.S.A. § 4162;

19 (B) a domestic business corporation that has elected to be a benefit
20 corporation and meets the requirements of 11A V.S.A. chapter 21; or

1 (C) a foreign business organization that has elected a form and meets
2 the applicable statutory requirements of the foreign jurisdiction that the
3 Secretary determines are substantially similar to the form and requirements for
4 a domestic low-profit limited liability company or benefit corporation.

5 (2) “Small business” means a business that at the time of application has
6 19 or fewer full-time employees in Vermont.

7 (3) “Start-up business” means a business:

8 (A) established within one year of the date of application; or

9 (B) with no full-time employees at the time of application.

10 (b) The Council shall consider and administer an application from a small
11 business, start-up business, or mission-based business pursuant to the
12 provisions of this subchapter, except that:

13 (1) the business’s potential share of new revenue growth shall be
14 90 percent; and

15 (2) to calculate qualifying payroll, the Council shall:

16 (A) determine the background growth rate in payroll for the
17 applicable business sector in the award year;

18 (B) multiply the business’s full-time payroll for the award year by
19 20 percent of the background growth rate; and

20 (C) subtract the product from the payroll performance requirement
21 for the award year.

1 (c) The purpose of the enhanced incentive for a small business, start-up
2 business, or mission-based business is to promote the growth of these
3 businesses in Vermont that create and sustain high-quality jobs.

4 § 3337. EARNING AN INCENTIVE

5 (a) Earning an incentive; installment payments.

6 (1) A business with an approved application earns the incentive
7 specified for an award year if, within the applicable time period provided in
8 this section, the business:

9 (A) maintains or exceeds its base payroll and base employment;

10 (B) meets or exceeds the payroll performance requirement specified
11 for the award year; and

12 (C) meets or exceeds the jobs performance requirement specified for
13 the award year, or the capital investment performance requirement specified
14 for the award year, or both.

15 (2) A Subject to subdivision (3) of this subsection, a business that earns
16 an incentive specified for an award year is eligible to receive an installment
17 payment for the year in which it earns the incentive and for each of the next
18 four years in which the business:

19 (A) maintains or exceeds its base payroll and base employment;

20 (B) maintains or exceeds the payroll performance requirement
21 specified for the award year; and

1 § 3339. RECAPTURE; REDUCTION; REPAYMENT

2 (a) Recapture.

3 (1) The Department of Taxes may recapture the value of one or more
4 installment payments or lump-sum payments a business has claimed, with
5 interest, if:

6 (A) the business fails to file a claim as required in section 3338 of
7 this title;

8 (B) during the utilization period, the business experiences:

9 (i) a 90 percent or greater reduction from base employment; or

10 (ii) if it had no jobs at the time of application, a 90 percent or
11 greater reduction from the sum of its job performance requirements; ~~or~~

12 (C) the Department determines that during the application or claims
13 process the business knowingly made a false attestation that the business:

14 (i) was not a named party to, or was in compliance with, an
15 administrative order, consent decree, or judicial order issued by the State or a
16 subdivision of the State; or

17 (ii) was in compliance with State laws and regulations; or

18 (D) the business elects to take a lump-sum payment for an incentive
19 pursuant to subdivision 3337(a)(3) of this title and during the four years
20 following the year in which it earned the incentive, the business fails to:

21 (i) maintain its base payroll or base employment;

1 (2) Each grant shall be designed to provide seed capital for not more
2 than two fiscal years.

3 (3) The Secretary, in consultation with the Vermont Economic Progress
4 Council, shall have the authority to award grants for projects that meet one or
5 more of the following criteria:

6 (A) swiftly and directly connect workforce training to the immediate
7 needs of employers to fill job vacancies;

8 (B) enhance facilities that will attract small companies or remote
9 workers;

10 (C) enable creative innovations that attract and retain small business
11 workforces;

12 (D) enable pilot projects framed as a result of Vermont Council on
13 Rural Development community visits;

14 (E) leverage federal initiatives such as the federal New Market Tax
15 Credit Program or the Federal Reserve Bank of Boston Working Communities
16 Program;

17 (F) deploy or enhance innovation, maker, or coworking spaces with
18 special emphasis on those that promote colocation of nonprofit, for-profit, and
19 government assets;

20 (G) enable initiatives that leverage other innovation funding outside
21 State government;

1 (H) enable or promote remote workers locating in Vermont;

2 (I) enable or promote deployment of broadband telecommunications
3 connectivity.

4 (d) The Secretary shall reserve not less than 10 percent of the competitive
5 funding specified in subsection (c) of this section for micro-grants of less than
6 \$10,000.00.

7 (e) The Secretary shall require that each recipient provide a one-to-one
8 match from a source outside State government, except for micro-grants
9 awarded pursuant to subsection (d) of this section, which require a 25 percent
10 match.

11 (f)(1) The Secretary shall adopt measures to evaluate each initiative that
12 receives a grant to determine its impact, including:

13 (A) job growth measured at one-, three-, and five-year intervals; and

14 (B) overall growth measured by revenue changes, new jobs created,
15 jobs retained or workers retrained in sectors where disruptive technology is in
16 play, or collateral investment attracted.

17 (2)(A) The Secretary shall conduct an interview with grant recipients
18 and prepare a report highlighting the successes, challenges, and failures of each
19 initiative at one-, three-, and five-year intervals.

20 (B) The goal of the reports is to highlight successful work and
21 illuminate any efforts that did not work well and explain why, and to serve as a

1 playbook for other communities and innovators as they explore growth
2 opportunities.

3 (g) The Secretary shall allocate up to \$100,000.00 for innovative
4 partnerships and initiatives, including the following:

5 (1)(A) The Secretary shall allocate \$50,000.00 to the Department of
6 Economic Development to design and implement a small business technical
7 assistance and growth initiative designed to provide services to new and
8 growing small businesses of 50 employees and fewer on a range of topics from
9 marketing their business to human resources to accounting and planning.

10 (B) Often a small business is stranded in its growth potential by a
11 point-in-time need or by the absence of capacity or knowledge to execute a key
12 component of its business to enable growth.

13 (C) This acceleration project will create partnerships with
14 professional service specialists to provide coaching and training to a small
15 business in its specified area of need and will be done in conjunction with key
16 partners such as Regional Development Corporations, the Vermont Small
17 Business Development Center, the Vermont Manufacturing Extension Center,
18 and others.

19 (2)(A) The Secretary shall allocate \$25,000.00 to design and implement
20 a partnership initiative with capital providers, including Milk Money.

1 (B) This partnership will create a “money map” that guides
2 entrepreneurs and small businesses to strategies for and sources of capital at
3 various stages of their evolution and development, assisting them to connect to
4 critical sources of capital at crucial times of growth.

5 (C) The “money map” will be an interactive online resource.

6 (3) The Secretary shall allocate \$25,000.00 to the Vermont Chamber of
7 Commerce to continue to develop the Vermont aerospace sector and associated
8 supply chain throughout the State.

9 * * * Homeowner’s Rehabilitation Tax Credit * * *

10 Sec. 4. HOMEOWNER’S REHABILITATION TAX CREDIT

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

12 (1) “Qualified applicant” means an owner of a qualified building who is
13 not delinquent on any State taxes.

14 (2) “Qualified building” means a property, including the main residence
15 and accessory buildings such as a barn or garage, that:

16 (A) the owner will occupy as his or her primary residence for not less
17 than five consecutive years;

18 (B) is located within a neighborhood planning area, as defined in
19 24 V.S.A. § 2793e;

20 (C) is assessed at or below the State median home value; and

21 (D) is not subject to a lien.

1 (3) “Qualified project” means a construction project for which a
2 qualified applicant makes qualified rehabilitation expenditures for the
3 rehabilitation of a qualified building.

4 (4) “Qualified rehabilitation expenditure” means a construction-related
5 expense for the rehabilitation of a qualified building, including design fees,
6 labor, materials, capital improvements, and the rehabilitation or construction of
7 an accessory housing unit.

8 (5) “State Board” means the Vermont Downtown Development Board
9 established pursuant to 24 V.S.A. chapter 76A.

10 (b) Application and eligibility.

11 (1) In fiscal year 2019, Vermont municipalities may apply to the State
12 Board to compete for the allocation of up to \$625,000.00 in homeowner
13 rehabilitation tax credit certificates in not more than three pilot communities.

14 (2) A municipality shall specify in its application:

15 (A) the benefit area, such as a neighborhood or smaller geographic
16 area, with demonstrated need for rehabilitation;

17 (B) the property owners and addresses for potential qualified
18 projects;

19 (C) one or more banks, insurance companies, or captive insurance
20 companies that have expressed willingness to purchase tax credit certificates, if
21 applicable; and

1 (D) municipal staff capacity to support implementation of qualified
2 projects, including for local permitting and building inspection.

3 (3) The State Board shall adopt application requirements and approval
4 criteria for municipal applications and for individual projects within selected
5 pilot communities.

6 (4) To be eligible for approval, a qualified building shall undergo an
7 energy audit to encourage the owner's participation in rebates and incentives
8 that make the building more energy efficient and affordable.

9 (5) The State Board shall adopt design review standards for qualified
10 projects.

11 (c) Homeowner's rehabilitation tax credit. The qualified applicant of a
12 qualified project shall be entitled, upon the approval of the State Board:

13 (1) to claim against his or her income tax a credit of 30 percent of
14 qualified rehabilitation expenditures, not to exceed \$20,000.00 per qualified
15 project or \$25,000.00 per qualified project that creates one or more accessory
16 dwelling units; or

17 (2) to claim a tax credit certificate in the amount of 30 percent of
18 qualified rehabilitation expenditures, not to exceed \$20,000.00 per qualified
19 project or \$25,000.00 per qualified project that creates an accessory dwelling
20 unit, which certificate the applicant may transfer to a bank, an insurance

1 company, or a captive insurance company to apply against its bank franchise,
2 insurance premium, or captive insurance premium tax liability.

3 (d) Claims; availability.

4 (1) A taxpayer claiming credit under this section shall submit to the
5 Department of Taxes with the return on which a credit is claimed a copy of the
6 State Board's tax credit allocation.

7 (2) A credit under this subchapter shall be available for the first tax year
8 in which the qualified project is complete.

9 (3) If within five years after the date of the credit allocation to the
10 applicant no claim for tax credit has been filed, the tax credit allocation shall
11 be rescinded.

12 (4) Any unused credit under this section may be carried forward for not
13 more than nine tax years following the first year for which the tax credit is
14 claimed.

15 (e) Recapture. A qualified applicant shall be subject to recapture of the
16 value of a tax credit or credit certificate issued pursuant to this section if the
17 applicant:

18 (1) fails to complete the project within two years after approval;

19 (2) completes rehabilitation work that is inconsistent with a local permit
20 or approved State application; or

21 (3) fails to supply accurate information.

1 wastewater system or potable water supply is a failed system or supply as
2 defined in 10 V.S.A. § 1972, or when a designer demonstrates that the
3 wastewater system or potable water supply has a high probability of failing.
4 The amount of up to \$275,000.00 from the fees collected pursuant to 3 V.S.A.
5 § 2822(j)(4) shall be deposited ~~on an annual basis~~ into this Fund at the
6 beginning of each fiscal year to ensure a minimum balance of available funds
7 of \$275,000.00 exists for each fiscal year.

8 * * *

9 Sec. 7. 24 V.S.A. § 4763b is amended to read:

10 § 4763b. LOANS TO INDIVIDUALS FOR FAILED WASTEWATER
11 SYSTEMS AND FAILED POTABLE WATER SUPPLIES

12 (a) Notwithstanding any other provision of law, when the wastewater
13 system or potable water supply serving only ~~one single family residence on its~~
14 ~~own lot~~ single-family and multifamily residences either meets the definition of
15 a failed supply or system in 10 V.S.A. § 1972 or is demonstrated by a designer
16 to have a high probability of failing, the Secretary of Natural Resources may
17 lend monies to ~~the owner of the residence~~ an owner of one or more of the
18 residences from the Vermont Wastewater and Potable Water Revolving Loan
19 Fund established in section 4753 of this title. In such cases, the following
20 conditions shall apply:

1 (1) ~~loans~~ a loan may only be made to ~~households with an~~ owner with a
2 household income equal to or less than 200 percent of the State average
3 median household income;

4 (2) ~~loans~~ a loan may only be made to ~~households where the recipient of~~
5 ~~the loan resides in the residence~~ an owner who resides in one of the residences
6 served by the failed supply or system on a year-round basis;

7 (3) ~~loans~~ a loan may only be made ~~if the owner of the residence to an~~
8 owner who has been denied financing for the repair, replacement, or
9 construction due to involuntary disconnection by at least one other financing
10 entity;

11 (4) when the failed supply or system also serves residences owned by
12 persons other than the loan applicant, a loan may only be made for an equitable
13 share of the cost to repair or replace the failed supply or system that is
14 determined through agreement of all of the owners of residences served by the
15 failed system or supply;

16 (5) no construction loan shall be made to an individual under this
17 subsection, nor shall any part of any revolving loan made under this subsection
18 be expended, until all of the following take place:

19 (A) the Secretary of Natural Resources determines that if a
20 wastewater system and potable water supply permit is necessary for the design

1 and construction of the project to be financed by the loan, the permit has been
2 issued to the owner of the failed system or supply; and

3 (B) the individual applying for the loan certifies to the Secretary of
4 Natural Resources that the proposed project has secured all State and federal
5 permits, licenses, and approvals necessary to construct and operate the project
6 to be financed by the loan;

7 ~~(5)(6)~~ all funds from the repayment of loans made under this section
8 shall be deposited into the Vermont Wastewater and Potable Water Revolving
9 Loan Fund.

10 (b) The Secretary of Natural Resources shall establish standards, policies,
11 and procedures as necessary for the implementation of this section. The
12 Secretary may establish criteria to extend the payment period of a loan or to
13 waive all or a portion of the loan amount.

14 * * * Down Payment Assistance Program * * *

15 Sec. 8. 32 V.S.A. § 5930u(h) is amended to read:

16 (h)(1)~~(A)~~ In fiscal year 2016 through fiscal year ~~2022~~ 2018, the allocating
17 agency may award up to \$125,000.00 in total first-year credit allocations for
18 loans through the Down Payment Assistance Program created in subdivision
19 (b)(2) of this section.

20 (B) In fiscal year 2019 through fiscal year 2022, the allocating
21 agency may award up to \$250,000.00 in total first-year credit allocations for

1 loans through the Down Payment Assistance Program created in subdivision
2 (b)(2) of this section.

3 (C) In fiscal year 2023 through fiscal year 2025, the allocating
4 agency may award up to \$125,000.00 in total first-year credit allocations for
5 loans through the Down Payment Assistance Program created in subdivision
6 (b)(2) of this section.

7 (2)(A) In ~~any~~ fiscal year 2016 through fiscal year 2018, total first-year
8 credit allocations under subdivision (1) of this subsection (h) plus succeeding-
9 year deemed allocations shall not exceed \$625,000.00.

10 (B) In fiscal year 2019 through fiscal year 2022, total first-year credit
11 allocations under subdivision (1) of this subsection (h) plus succeeding-year
12 deemed allocations shall not exceed \$1,250,000.00.

13 (C) In fiscal year 2023 through fiscal year 2025, total first-year credit
14 allocations under subdivision (1) of this subsection (h) plus succeeding-year
15 deemed allocations shall not exceed \$625,000.00.

16 * * *

17 * * * Self-managed Energy Efficiency Program * * *

18 Sec. 9. 30 V.S.A. § 209 is amended to read:

19 § 209. JURISDICTION; GENERAL SCOPE

20 * * *

21 (j) Self-managed energy efficiency programs.

1 (1) There shall be a class of self-managed energy efficiency programs
2 for transmission and industrial electric ratepayers only.

3 (2) The Commission, by order, shall enact this class of programs.

4 (3) Entities approved to participate in the self-managed energy
5 efficiency program class shall be exempt from all statewide charges under
6 subdivision (d)(3) of this section that support energy efficiency programs
7 performed by or on behalf of Vermont electric utilities. If an electric ratepayer
8 approved to participate in this program class also is a customer of a natural gas
9 utility, the ratepayer shall be exempt from all charges under subdivision (d)(3)
10 of this section or contained within the rates charged by the natural gas utility to
11 the ratepayer that support energy efficiency programs performed by or on
12 behalf of that utility, provided that the ratepayer complies with this subsection.

13 (4) All of the following shall apply to a class of programs under this
14 subsection:

15 (A) A member of the transmission or industrial electric rate classes
16 shall be eligible to apply to participate in the self-managed energy efficiency
17 program class if the charges to the applicant, or to its predecessor in interest at
18 the served property, under subdivision (d)(3) of this section were a minimum
19 of \$1.5 million during calendar year 2008.

20 (B) A cost-based fee to be determined by the Commission shall be
21 charged to the applicant to cover the administrative costs, including savings

1 verification, incurred by the Commission and Department. The Commission
2 shall determine procedures for savings verification. Such procedures shall be
3 consistent with savings verification procedures established for entities
4 appointed under subdivision (d)(2) of this section.

5 (C) An applicant shall demonstrate to the Commission that it has a
6 comprehensive energy management program with annual objectives.
7 Achievement of certification of ISO standard 14001 shall be eligible to satisfy
8 the requirements of having a comprehensive program.

9 (D) An applicant shall commit to an annual average ~~energy efficiency~~
10 investment in energy efficiency and productivity programs and measures
11 during each three-year period that the applicant participates in the program of
12 ~~no~~ not less than \$1 million. To achieve the exemption from energy efficiency
13 charges related to natural gas under subdivision (3) of this subsection (j), the
14 applicant shall make an additional annual energy efficiency investment in an
15 amount not less than \$55,000.00. As used in this subsection, “productivity
16 programs and measures” means investments that reduce the amount of energy
17 required to produce a unit of product.

18 (E) Participation in the self-managed program includes efficiency and
19 productivity programs and measures applicable to electric and other forms of
20 energy. A participant may balance ~~efficiency~~ investments in such programs
21 and measures across all types of energy or fuels without limitations.

1 (F) A participant shall provide to the Commission and Department
2 annually an accounting of ~~energy~~ investments in energy efficiency and
3 productivity programs and measures and the resultant energy savings in the
4 form prescribed by the Commission, which may conduct reasonable audits to
5 ensure accuracy of the data provided.

6 (G) The Commission shall report to the General Assembly annually
7 by April 30 concerning the prior calendar year's class of self-managed energy
8 efficiency programs. The report shall include identification of participants,
9 their annual investments, and resulting savings, and any actions taken to
10 exclude entities from the program.

11 (H) Upon approval of an application by the Commission, the
12 applicant shall be able to participate in the class of self-managed energy
13 efficiency programs.

14 (I) On a determination that, for a given three-year period, a
15 participant in the self-managed efficiency program class did not meet or has
16 not met the commitment required by subdivision ~~(4)~~(D) of this ~~subsection~~
17 subdivision (j)(4), the Commission shall terminate the participant's eligibility
18 for the self-managed program class.

19 (i) On such termination, the former participant will be subject
20 fully to the then existing charges applicable to its rate class without exemption

1 under subdivision (3) of this subsection (j), and within 90 days ~~of~~ after such
2 termination shall pay:

3 (I) the difference between the investment it made pursuant to
4 the self-managed energy efficiency program during the three-year period of
5 noncompliance and the full amount of the charges and rates related to energy
6 efficiency it would have incurred during that period absent exemption under
7 subdivision (3) of this subsection (j); and

8 (II) the difference between the investment it made pursuant to
9 the program within the current three-year period, if different from the period of
10 noncompliance, and the full amount of the charges and rates related to energy
11 efficiency it would have incurred during the current period absent exemption
12 under subdivision (3) of this subsection (j).

13 (ii) Payments under subdivision ~~(4)(I)(i)~~ of this ~~subsection~~
14 subdivision (j)(4)(I) shall be made to the entities to which the full amount of
15 charges and rates would have been paid absent exemption under subdivision
16 (3) of this subsection.

17 (iii) A former participant may not reapply for membership in the
18 self-managed program after termination under this subdivision (4)(I).

19 (J) A participant in the self-managed program class may request
20 confidentiality of data it reports to the Commission if the data would qualify
21 for exemption from disclosure under 1 V.S.A. § 317. If such confidentiality is

1 requested, the Commission shall disclose the data only in accordance with a
2 protective agreement approved by the Commission and signed by the recipient
3 of the data, unless a court orders otherwise.

4 (K) Any data not subject to a confidentiality request under
5 subdivision ~~(4)~~(J) of this ~~subsection~~ subdivision (j)(4) will be a public record.

6 (L) A participant in the self-managed program class may submit
7 projects to the independent system operator of New England, including
8 through recognized aggregators, for payments under that operator's forward
9 capacity market program, and shall invest such payments in electric or fuel
10 efficiency.

11 (M) A participant in the self-managed program class may receive
12 funding from an energy program administered by a government or other entity
13 which is not the participant ~~but~~ and may ~~not~~ count such funds received as part
14 of the annual commitment to its self-managed energy efficiency program.

15 * * *

16 Sec. 10. SMEEP PROGRAM EXPANSION; PILOT PROJECT

17 (a) As used in this section:

18 (1) "Commission" means the Public Utility Commission under
19 30 V.S.A. § 3.

20 (2) "Department" means the Department of Public Service under
21 3 V.S.A. § 212 and 30 V.S.A. § 1.

1 (3) “Electric EEU” means an EEU whose appointment under 30 V.S.A.
2 § 209(d)(2) includes the delivery of programs and measures to customers of
3 electric distribution utilities.

4 (4) “EEC” means the energy efficiency charge under 30 V.S.A.
5 § 209(d).

6 (5) “Energy efficiency utility” or “EEU” means an entity appointed to
7 deliver energy efficiency and conservation programs and measures under
8 30 V.S.A. § 209(d)(2).

9 (6) “SMEEP” means the self-managed energy efficiency program
10 established under 30 V.S.A. § 209(j).

11 (7) “SMEEP expansion pilot” means the three-year pilot program
12 established by this section.

13 (b) By order after notice and opportunity for hearing, the Commission shall
14 establish as a pilot program a three-year expansion of SMEEP for commercial
15 and industrial customers that do not currently qualify for the program.

16 (c) Customers participating in the SMEEP expansion pilot shall be
17 considered outside the electric EEU structure and shall not be eligible to
18 participate in any offerings provided by an electric EEU. However, an electric
19 EEU may offer consulting services to a participating customer.

20 (d) A customer applying to participate in the SMEEP expansion pilot shall
21 commit to an annual average energy efficiency investment during the three-

1 year pilot period in an amount equal to the customer's EEC paid in the year
2 prior to participation in the self-managed program.

3 (e) A participating customer that does not expend the full amount of funds
4 required to participate in the program must, at the end of the three-year pilot,
5 pay the amount of unspent funds to the Electric Efficiency Fund established
6 under 30 V.S.A. § 209(d).

7 (f) Customers participating in the SMEEP expansion pilot shall pay a cost-
8 based fee, the amount of which shall be determined by the Commission, to
9 cover the administrative costs, including savings verification, incurred by the
10 Commission and Department.

11 (g) The Commission shall reduce the budget and performance indicators of
12 each electric EEU commensurate with participation in the SMEEP expansion
13 pilot program.

14 (h) A customer participating in the SMEEP expansion pilot may use its
15 annual budget for electric and thermal efficiency and productivity measures as
16 well as storage measures. In addition, the Commission may allow the use of
17 self-administered funds for initial technical guidance related to energy
18 transformation projects as defined in 30 V.S.A. § 8002, such as electrification
19 of vehicles.

20 (i) A participant in the SMEEP expansion pilot may consider the total cost
21 of energy efficient equipment and technology, including the design, purchase,

1 and installation of new equipment or the alteration of existing equipment, as an
2 eligible energy efficiency investment if it increases productivity or enables the
3 participant to demonstrate an increase in payroll.

4 (j) The Agency of Commerce and Community Development (ACCD)
5 under 3 V.S.A. chapter 47 shall identify not more than 20 companies willing to
6 participate in the SMEEP expansion pilot. In identifying companies to
7 participate in the pilot, ACCD shall give consideration to diversity in
8 geographic location, energy consumption, and type of business.

9 (k) Within three months after being selected for the SMEEP expansion
10 pilot, each participant must develop a three-year plan that sets forth the total
11 expenditures to be invested, a summary of the proposed investments, and the
12 expected savings resulting from such investments. This plan shall be filed with
13 the Commission, Department, and ACCD.

14 (l) A participant shall provide to the Commission and Department annually
15 an accounting of energy and productivity investments and the resulting energy
16 savings in the form prescribed by the Commission, which may conduct
17 reasonable audits to ensure accuracy of the data provided.

18 (m) A participant in the self-managed program class may request
19 confidentiality of data it reports to the Commission if the data would qualify
20 for exemption from disclosure under 1 V.S.A. § 317. If such confidentiality is
21 requested, the Commission shall disclose the data only in accordance with a

1 protective agreement approved by the Commission and signed by the recipient
2 of the data, unless a court orders otherwise. Any data not subject to a
3 confidentiality request under this subsection shall be a public record.

4 (n) At the end of the three-year pilot period, the Department shall provide
5 to the General Assembly its recommendations on continuing the SMEEP
6 expansion pilot. In making its recommendation, the Department shall consider
7 at a minimum: the impact of the pilot on economic development and job
8 creation, the impact on other EEU customers, the impact of the pilot on
9 participating customers, the impact of the pilot on other electric utility
10 customers, and the impact of the pilot on meeting the State's energy goals.

11 (o) A participant in the SMEEP expansion pilot may receive funding from
12 an energy program administered by a government or other entity that is not the
13 participant but may not count such funds received as part of the investment
14 commitment of the pilot.

15 * * * Research and Development Tax Credit * * *

16 Sec. 11. 32 V.S.A. § 5930ii is amended to read:

17 § 5930ii. RESEARCH AND DEVELOPMENT TAX CREDIT

18 (a) A taxpayer of this State shall be eligible for a credit against the tax
19 imposed under this chapter in an amount equal to 27 percent of the amount of
20 the federal tax credit allowed in the taxable year for eligible research and

1 development expenditures under 26 U.S.C. § 41(a) and which are made within
2 this State.

3 (b) Any unused credit available under subsection (a) of this section may be
4 carried forward for up to 10 years.

5 (c) Each year, 50 percent of the credit available under this section shall be
6 refundable.

7 (d) Each year, on or before January 15, the Department of Taxes shall
8 publish a list containing the names of the taxpayers who have claimed a credit
9 under this section during the most recent completed calendar year.

10 Sec. 12. 3 V.S.A. chapter 68 is added to read:

11 CHAPTER 68. PUBLIC-PRIVATE PARTNERSHIPS

12 § 4031. DEFINITIONS

13 As used in this chapter:

14 (1) “Agency” means an executive agency, department, or office of the
15 State under the Office of the Governor.

16 (2) “Agreement” means a contract between an agency and a private
17 entity to create a public-private partnership that allows for private sector
18 participation in the financing, development, operation, management,
19 ownership, leasing, or maintenance of a facility and that sets forth rights and
20 obligations of the agency and the private entity in that partnership.

1 (3) “Facility” means infrastructure that is or, if developed, would be
2 within the jurisdiction of an agency, including transportation facilities,
3 buildings, or other improvements.

4 (4) “Project” means the initial capital development of a facility.

5 (5) “Proposal” means a conditional offer of a private entity that after
6 review, negotiation, documentation, and legislative approval may lead to an
7 agreement as provided in this chapter.

8 § 4032. APPLICABILITY

9 This chapter applies to a proposal or agreement for a private entity to form a
10 public-private partnership when an agency determines that such a proposal or
11 agreement is in the public interest. Nothing in this section is intended to
12 prohibit or otherwise affect programs that do not meet the criteria of this
13 chapter.

14 § 4033. AUTHORITY

15 Notwithstanding any other provision of law, an agency is authorized to
16 receive or solicit proposals to form a public-private partnership with respect to
17 facilities. Proposals must be reviewed in accordance with this chapter. Upon
18 approval of the General Assembly as provided in section 4038 of this chapter,
19 an agency is authorized to enter in an agreement.

1 § 4034. STANDARDS FOR REVIEW

2 Prior to submitting to the General Assembly draft legislation that would
3 authorize the agreement, an agency must find that the proposal meets the
4 following conditions and standards:

5 (1) The purpose of and need for the facility must be consistent with the
6 long-term planning of an agency.

7 (2) The private entity must have the financial, technical, and operational
8 capacity to discharge the responsibilities set forth in the proposal in a cost-
9 effective and responsible manner, as determined by the agency.

10 (3) The facility must be owned, controlled, operated, and maintained in
11 a manner satisfactory to an agency.

12 (4) The proposal must be cost-effective in the long term.

13 (5) The proposal must limit the use of State capital funding to 50 percent
14 or less of the initial capital cost of the facility.

15 (6) The private entity must provide a finance plan of sufficient detail to
16 determine proposal costs, revenues by source, financing, major assumptions,
17 whether any government funds are assumed to deliver a cost-feasible project,
18 and a total cash flow analysis beginning with implementation of the project
19 and extending for the term of the agreement.

20 (7) The proposal must demonstrate safeguards adequate to ensure that
21 no significant additional costs or service disruptions would be borne by users

1 of the facility and residents of the State if the private entity were to default or
2 to cancel the agreement.

3 (8) The proposal must include a provision that any contractor
4 performing construction work required by the agreement must furnish
5 performance and payment bonds or irrevocable letters of credit in an amount
6 equal to the cost of the construction work.

7 (9) The proposal and the facility must comply with all requirements of
8 applicable federal, State, and local laws, and rules, policies, and procedures of
9 the agency.

10 (10) The proposal must provide that all reasonable costs of substantially
11 affected local governments and utilities related to the facility be borne by the
12 private entity or be otherwise provided for to the satisfaction of the agency.

13 § 4035. PROPOSAL AND SELECTION PROCESSES

14 (a) An agency may request a proposal from a private entity for a public-
15 private partnership for a facility or may accept unsolicited proposals pursuant
16 to this subsection.

17 (1) If an agency receives an unsolicited proposal and determines that it
18 meets the conditions and standards in this chapter, the agency shall publish a
19 notice of the receipt of the proposal on the agency's publicly accessible
20 website and the State's bidding clearinghouse. The notice must provide that
21 the agency will accept, for 120 days after the initial date of publication,

1 proposals from other private entities for facilities that satisfy the same basic
2 purpose and need.

3 (2) If an agency solicits proposals, the agency shall follow its regular
4 procurement process.

5 (b) After the proposal or proposals have been received, and consistent with
6 subsection (a) of this section, the agency shall rank the proposals in order of
7 preference. In ranking the proposals, the agency may consider factors that
8 include professional qualifications, general business terms, innovative
9 engineering or cost-reduction terms, finance plans, and the need for State funds
10 to deliver the project and discharge the agreement.

11 (c) Once the proposal or proposals are ranked, the agency shall undertake
12 negotiations with the private entity submitting the first-ranked proposal. If the
13 agency is not satisfied with the results of the negotiations, the agency may, in
14 its sole discretion, terminate negotiations with that entity, and the agency may
15 negotiate with the other private entities in order of the ranking of the proposals.
16 If only one proposal is received, the agency shall negotiate in good faith and, if
17 the agency is not satisfied with the results of the negotiations, the agency may,
18 at its sole discretion, terminate negotiations.

19 (d) The agency may require that the private entity assume responsibility for
20 all costs incurred by the State or local governments before execution of the

1 agreement, including costs of retaining independent experts to review and
2 analyze the proposal and to advise the agency with respect to it.

3 § 4036. EXERCISE OF POWERS

4 If the State exercises its power of eminent domain for the development and
5 construction of a facility pursuant to this chapter, the State shall retain the
6 ownership rights and interests taken. The State's power of eminent domain
7 shall not be conferred on a private entity. The State may provide maintenance,
8 law enforcement, and other services with respect to a facility by a private
9 entity when the agreement provides for reasonable reimbursement for such
10 services.

11 § 4037. TERM OF AGREEMENT

12 An agreement shall not exceed a term of 50 years unless the General
13 Assembly, upon recommendation of the Secretary of an agency, approves a
14 longer term.

15 § 4038. LEGISLATIVE APPROVAL

16 If an agency determines that a public-private partnership proposal and draft
17 agreement meet the standards of this chapter, the agency shall submit to the
18 General Assembly a bill that proposes to authorize the agreement. The bill
19 proposal must include a statement that the proposal meets the standards in
20 section 4034 of this chapter, a summary of the substance of the draft

1 agreement, and a description of the nature and amount of State investment, if
2 any, including effects on programmed capital work.

3 § 4039. REPORT

4 If the approval of the General Assembly is granted pursuant to section 4038
5 of this chapter, the agency shall report to the legislative committee with
6 jurisdiction over the facility on or before January 15 of each year as to the
7 status of the project and any substantive changes to the public-private
8 partnership proposal.

9 * * * Municipalities; Village Center Designation; Electronic Filings * * *

10 Sec. 13. 24 V.S.A. § 2793a is amended to read:

11 § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

12 * * *

13 (d) The State Board shall review a village center designation every ~~five~~
14 eight years and may review compliance with the designation requirements at
15 more frequent intervals. On and after July 1, 2014, any community applying
16 for renewal shall explain how the designation under this section has furthered
17 the goals of the town plan and shall submit an approved town plan map that
18 depicts the boundary of the designated district. If at any time the State Board
19 determines that the village center no longer meets the standards for designation
20 established in subsection (a) of this section, it may take any of the following
21 actions:

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Sec. 14. 24 V.S.A. § 4345b is amended to read:

§ 4345b. INTERMUNICIPAL SERVICE AGREEMENTS

(a)(1) Prior to exercising the authority granted under this section, a regional planning commission shall:

(A) draft bylaws specifying the process for entering into, method of withdrawal from, and method of terminating service agreements with municipalities; and

(B) hold one or more public hearings within the region to hear from interested parties and citizens regarding the draft bylaws.

(2) At least 30 days prior to any hearing required under this subsection, notice of the time and place and a copy of the draft bylaws, with a request for comments, shall be delivered to the chair of the legislative body of each municipality within the region, which may be done electronically, provided the sender has proof of receipt. The regional planning commission shall make copies available to any individual or organization requesting a copy.

* * *

Sec. 15. 24 V.S.A. § 4348 is amended to read:

§ 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

* * *

1 (c) At least 30 days prior to the first hearing, a copy of the proposed plan or
2 amendment, with a request for general comments and for specific comments
3 with respect to the extent to which the plan or amendment is consistent with
4 the goals established in section 4302 of this title, shall be delivered physically
5 or electronically with proof of receipt, or sent by certified mail, return receipt
6 requested, to each of the following:

7 (1) the chair of the legislative body of each municipality within the
8 region;

9 (2) the executive director of each abutting regional planning
10 commission;

11 (3) the Department of Housing and Community Development within the
12 Agency of Commerce and Community Development;

13 (4) business, conservation, low-income advocacy, and other community
14 or interest groups or organizations that have requested notice in writing prior to
15 the date the hearing is warned; and

16 (5) the Agency of Natural Resources and the Agency of Agriculture,
17 Food and Markets.

18 * * *

19 (e) The regional planning commission may make revisions to the proposed
20 plan or amendment at any time not less than 30 days prior to the final public
21 hearing held under this section. If the proposal is changed, a copy of the

1 proposed change shall be delivered, physically or electronically with proof of
2 receipt or by certified mail, return receipt requested, to the ~~chairperson~~ chair of
3 the legislative body of each municipality within the region, and to any
4 individual or organization requesting a copy, at least 30 days prior to the final
5 hearing.

6 * * *

7 Sec. 16. 24 V.S.A. § 4352 is amended to read:

8 § 4352. OPTIONAL DETERMINATION OF ENERGY COMPLIANCE;

9 ENHANCED ENERGY PLANNING

10 * * *

11 (e) Process for issuing determinations of energy compliance. Review of
12 whether to issue a determination of energy compliance under this section shall
13 include a public hearing noticed at least 15 days in advance by direct mail or
14 electronically with proof of receipt to the requesting regional planning
15 commission or municipal legislative body, posting on the website of the entity
16 from which the determination is requested, and publication in a newspaper of
17 general publication in the region or municipality affected. The Commissioner
18 or regional planning commission shall issue the determination in writing
19 within two months ~~of~~ after the receipt of a request for a determination. If the
20 determination is negative, the Commissioner or regional planning commission
21 shall state the reasons for denial in writing and, if appropriate, suggest

1 acceptable modifications. Submissions for a new determination that follow a
2 negative determination shall receive a new determination within 45 days.

3 * * *

4 Sec. 17. 24 V.S.A. § 4384 is amended to read:

5 § 4384. PREPARATION OF PLAN; HEARINGS BY PLANNING

6 COMMISSION

7 * * *

8 (e) At least 30 days prior to the first hearing, a copy of the proposed plan or
9 amendment and the written report shall be delivered physically or
10 electronically with proof of receipt, or mailed by certified mail, return receipt
11 requested to each of the following:

12 (1) the ~~chairperson~~ chair of the planning commission of each abutting
13 municipality, or in the absence of any planning commission in an abutting
14 municipality, to the clerk of that municipality;

15 (2) the executive director of the regional planning commission of the
16 area in which the municipality is located;

17 (3) the ~~department of housing and community affairs~~ Department
18 of Housing and Community Development within the ~~agency of commerce~~
19 ~~and community development~~ Agency of Commerce and Community
20 Development; and

1 within 30 days ~~of~~ after adoption, which may be done electronically, provided
2 the sender has proof of receipt. If a municipality wishes its plan or plan
3 amendment to be eligible for approval under the provisions of section 4350 of
4 this title, it shall request approval. The request for approval may be before or
5 after adoption of the plan by the municipality, at the option of the municipality.

6 * * *

7 Sec. 19. 24 V.S.A. § 4424 is amended to read:

8 § 4424. SHORELANDS; RIVER CORRIDOR PROTECTION AREAS;

9 FLOOD OR HAZARD AREA; SPECIAL OR FREESTANDING

10 BYLAWS

11 (a) Bylaws; flood and other hazard areas; river corridor protection. Any
12 municipality may adopt freestanding bylaws under this chapter to address
13 particular hazard areas in conformance with the municipal plan or, for the
14 purpose of adoption of a flood hazard area bylaw, a local hazard mitigation
15 plan approved under 44 C.F.R. § 201.6. Such freestanding bylaws may include
16 the following, which may also be part of zoning or unified development
17 bylaws:

18 (1) Bylaws to regulate development and use along shorelands.

19 (2) Bylaws to regulate development and use in flood areas, river
20 corridor protection areas, or other hazard areas. The following shall apply if
21 flood or other hazard area bylaws are enacted:

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(D)(i) Mandatory provisions. Except as provided in subsection (c) of this section, all flood and other hazard area bylaws shall provide that no permit for new construction or substantial improvement shall be granted for a flood or other hazard area until after both the following:

(I) A copy of the application is mailed or delivered by the administrative officer or by the appropriate municipal panel to the Agency of Natural Resources or its designee, which may be done electronically, provided the sender has proof of receipt.

(II) Either 30 days have elapsed following the mailing or the Agency or its designee delivers comments on the application.

(ii) The Agency of Natural Resources may delegate to a qualified representative of a municipality with a flood hazard area bylaw or ordinance or to a qualified representative for a regional planning commission the Agency's authority under this subdivision (a)(2)(D) to review and provide technical comments on a proposed permit for new construction or substantial improvement in a flood hazard area. Comments provided by a representative delegated under this subdivision (a)(2)(D) shall not be binding on a municipality.

* * *

1 Sec. 20. 24 V.S.A. § 4441 is amended to read:

2 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;

3 AMENDMENT OR REPEAL

4 * * *

5 (e) At least 15 days prior to the first hearing, a copy of the proposed bylaw,
6 amendment, or repeal and the written report shall be delivered physically or
7 electronically with proof of receipt, or mailed by certified mail, return receipt
8 requested, to each of the following:

9 (1) ~~The chairperson~~ the chair of the planning commission of each
10 abutting municipality, or in the absence of any planning commission in a
11 municipality, the clerk of that abutting municipality;

12 (2) ~~The~~ the executive director of the regional planning commission of
13 the area in which the municipality is located;

14 (3) ~~The department of housing and community affairs~~ the Department of
15 Housing and Community Development within the ~~agency of commerce and~~
16 ~~community development~~ Agency of Commerce and Community Development.

17 * * *

18 Sec. 21. 24 V.S.A. § 4445 is amended to read:

19 § 4445. AVAILABILITY AND DISTRIBUTION OF DOCUMENTS

20 Current copies of plans, bylaws, and capital budgets and programs shall be
21 available to the public during normal business hours in the office of the clerk

1 of any municipality in which those plans, bylaws, or capital budgets or
2 programs have been adopted. The municipality shall provide all final adopted
3 bylaws, amendments, or repeals to the regional planning commission of the
4 area in which the municipality is located and to the ~~department of housing and~~
5 ~~community affairs~~ Department of Housing and Community Development,
6 which may be done electronically, provided the sender has proof of receipt.

7 * * * Effective Date * * *

8 Sec. 22. EFFECTIVE DATE

9 This act shall take effect on July 1, 2018.