

* * * Vermont Employment Growth Incentive * * *

Sec. H.1. 10 V.S.A. chapter 4 is added to read:

CHAPTER 4. ECONOMIC DEVELOPMENT INCENTIVES

Subchapter 1. Vermont Economic Progress Council

§ 25. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; and

(2) property tax stabilization, tax exemption, and tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and 32 V.S.A. § 5404a.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures, and represent diverse geographical areas of the State and municipalities of various sizes;

(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and

(C) one member of the Vermont Senate appointed by the Senate Committee on Committees.

1 (2)(A) The Council shall have two regional members from each region of the
2 State, one appointed by the regional development corporation of the region and one
3 appointed by the regional planning commission of the region.

4 (B) A regional member shall be a nonvoting member and shall serve during
5 consideration by the Council of an application from his or her region.

6 (c) Terms.

7 (1) Members of the Council appointed by the Governor shall serve initial staggered
8 terms with five members serving four-year terms, and four members serving two-year
9 terms.

10 (2) After the initial term expires, a member's term is four years and a member may
11 be reappointed.

12 (3) A term commences on April 1 of each odd-numbered year.

13 (d) Compensation.

14 (1) For attendance at a meeting and for other official duties, a member appointed
15 by the Governor shall be entitled to compensation for services and reimbursement of
16 expenses as provided in 32 V.S.A. § 1010, except that a member who is a member of the
17 General Assembly shall be entitled to compensation for services and reimbursement of
18 expenses as provided in 2 V.S.A. § 406.

19 (2) A regional member who does not otherwise receive compensation and
20 reimbursement of expenses from his or her regional development or planning
21 organization shall be entitled to compensation and reimbursement of expenses for
22 attendance at meetings and for other official duties as provided in 32 V.S.A. § 1010.

23 (e) Operation.

1 (1) The Governor shall appoint a chair from the Council's members.

2 (2) The Council shall receive administrative support from the Agency of

3 Commerce and Community Development and the Department of Taxes.

4 (3) The Council shall have:

5 (A) an executive director appointed by the Governor with the advice and
6 consent of the Senate, who is knowledgeable in subject areas of the Council's jurisdiction
7 and who is an exempt State employee; and

8 (B) administrative staff.

9 (f) Rulemaking authority. The Council shall have the authority to adopt policies and
10 procedures as necessary, and to adopt rules under 3 V.S.A. chapter 25, to implement the
11 provisions of this chapter.

12 (g) Decisions not subject to review. A decision of the Council to approve or deny an
13 application under subchapter 2 of this chapter, or to approve or deny a property tax
14 stabilization agreement, tax exemption, or tax increment financing district pursuant to 24
15 V.S.A. chapter 53, subchapter 5 and 32 V.S.A. § 5404a, is an administrative decision that
16 is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is
17 not subject to judicial review.

18 § 26. COST-BENEFIT MODEL

19 (a) The Council shall adopt and maintain a cost-benefit model for assessing and
20 measuring the projected net fiscal cost and benefit to the State of proposed economic
21 development activities.

22 (b) The Council shall not modify the cost-benefit model without the prior approval of
23 the Joint Fiscal Committee.

1 Subchapter 2. Vermont Employment Growth Incentive Program

2 § 31. PURPOSE; FORM OF INCENTIVES; ELIGIBLE APPLICANT;

3 PROGRAM CAPS

4 (a) Purpose. The purpose of the Vermont Employment Growth Incentive Program is
5 to encourage a business to add new payroll, create new jobs, and make new capital
6 investments by sharing with the business a portion of the revenue generated by the new
7 payroll, new jobs, and new capital investment.

8 (b) Form of incentives; enhanced incentives.

9 (1) The Vermont Economic Progress Council may approve an incentive under this
10 subchapter in the form of:

11 (A) a direct cash payment in annual installments; or

12 (B) a combination of direct cash payment and property tax stabilization
13 pursuant to a property tax stabilization agreement approved by a municipality under
14 32 V.S.A. § 5404a.

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

16 (A) an enhanced incentive for a business in a labor market area with higher than
17 average unemployment or lower than average wages pursuant to section 34 of this title;

18 (B) an enhanced incentive for an environmental technology business pursuant
19 to section 35 of this title; and

20 (C) an enhanced incentive for a business that participates in a State workforce
21 training program pursuant to section 36 of this title.

22 (c) Eligible applicant.

1 (1) Only a business may apply for an incentive in the form of a direct cash
2 payment.

3 (2) A business and a municipality shall apply jointly for an incentive in the
4 combined form of a direct cash payment and property tax stabilization.

5 (d) Annual Program cap.

6 (1) Except as otherwise provided in subdivision (2) of this subsection, in each
7 calendar year the Council may approve one or more incentives under this subchapter, the
8 total value of which shall not exceed \$10,000,000.00 from the General Fund and
9 Education Fund combined.

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

12 § 32. APPLICATION; APPROVAL CRITERIA; GUIDELINES

13 (a) Application.

14 (1) A business may apply for an incentive in one or more years of an award period
15 by submitting an application to the Council in the format the Council specifies for that
16 purpose.

17 (2) For each award year the business applies for an incentive, the business shall:

18 (A) specify a payroll performance requirement;

19 (B) specify a jobs performance requirement or a capital investment performance
20 requirement, or both; and

21 (C) provide any other information the Council requires to evaluate the
22 application under this subchapter.

23 (b) Mandatory criteria. The Council may approve an application if it finds:

1 (1) Except as otherwise provided for an enhanced incentive for a business in a
2 qualifying labor market area under section 34 of this title, the new revenue the proposed
3 activity generates to the State exceeds the costs of the activity to the State.

4 (2) The host municipality welcomes the new business.

5 (3) The proposed economic activity conforms to applicable town and regional
6 plans.

7 (4) If the business proposes to expand within a limited local market, an incentive
8 would not give the business an unfair competitive advantage over other Vermont
9 businesses in the same or similar line of business and in the same limited local market.

10 (5) Without the incentive, the proposed economic activity:

11 (A) would not occur; or

12 (B) would occur in a significantly different manner that is less desirable to the
13 State.

14 § 33. CALCULATING THE VALUE OF AN INCENTIVE

15 Except as otherwise provided for an enhanced incentive for a business in a qualifying
16 labor market area under section 34 of this title, an enhanced incentive for an
17 environmental technology business under section 35 of this title, or an enhanced
18 incentive for workforce training under section 36 of this title, the Council shall calculate
19 the value of an incentive for an award year as follows:

20 (1) Calculate new revenue growth. To calculate new revenue growth, the Council
21 shall use the cost-benefit model created pursuant to section 26 of this title to determine
22 the amount by which the new revenue generated by the proposed economic activity to the
23 State exceeds the costs of the activity to the State.

1 (2) Calculate the business’s potential share of new revenue growth. Except as
2 otherwise provided for an environmental technology business in section 35 of this title, to
3 calculate the business’s potential share of new revenue growth, the Council shall multiply
4 the new revenue growth determined under subdivision (1) of this subsection by 80
5 percent.

6 (3) Calculate the incentive percentage. To calculate the “incentive percentage,”
7 the Council shall divide the business’s potential share of new revenue growth by the sum
8 of the business’s annual payroll performance requirements.

9 (4) Calculate qualifying payroll. To calculate qualifying payroll, the Council shall
10 subtract from the payroll performance requirement the projected value of background
11 growth in payroll for the proposed economic activity.

12 (5) Calculate the value of the incentive. To calculate the value of the incentive, the
13 Council shall multiply qualifying payroll by the incentive percentage.

14 (6) Calculate the amount of the annual installment payments. To calculate the
15 amount of the annual installment payments, the Council shall:

16 (A) subtract from the value of the incentive the amount of any applicable
17 property tax stabilization agreement;

18 (B) divide the difference by five; and

19 (C) adjust the value of the first installment payment so that it is proportional to
20 the actual number of days that new qualifying employees are employed in the first year of
21 hire.

1 § 34. ENHANCED INCENTIVE FOR A BUSINESS IN A QUALIFYING

2 LABOR MARKET AREA

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

5 (1) the average annual unemployment rate is greater than the average annual
6 unemployment rate for the State; or

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

8 (b) In each calendar year the amount by which the Council may increase the value of
9 all incentives pursuant to this section is \$1,000,000.00 from the General Fund and
10 Education Fund combined.

11 (c) The Council may exceed the limit imposed in subsection (b) of this section upon
12 application to and approval by the Emergency Board.

13 § 35. ENHANCED INCENTIVE FOR ENVIRONMENTAL TECHNOLOGY

14 BUSINESS

15 (a) In this section, an “environmental technology business” means a business that:

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

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

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

22 (B) natural resource protection and management, including water and
23 wastewater purification and treatment, air pollution control and prevention or

1 remediation, soil and groundwater protection or remediation, and hazardous waste control
2 or remediation;

3 (C) energy efficiency or conservation;

4 (D) clean energy, including solar, wind, wave, hydro, geothermal, hydrogen,
5 fuel cells, waste-to-energy, or biomass.

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

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

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

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

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

14 (C) subtract the product from the payroll performance requirement for the
15 award year.

16 § 36. ENHANCED INCENTIVE FOR WORKFORCE TRAINING

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

19 (1) notifying the Council of its intent to pursue an enhanced training incentive and
20 dedicate its incentive funds to training through the Vermont Training Program; and

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

1 (b) If a business is awarded a grant for training under this section, the Agency of
2 Commerce and Community Development shall disburse grant funds for on-the-job
3 training of 75 percent of wages for each employee in training, or 75 percent of trainer
4 expense, and the business shall be responsible for the remaining 25 percent of the
5 applicable training costs.

6 (c) If the business successfully completes its training and earns the incentive for the
7 award year for which the business elects an enhanced training incentive, the Council shall
8 approve the enhanced training incentive and notify the Department of Taxes.

9 (d) Upon notification by the Council, the Department of Taxes shall:

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

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

15 (3) disburse the remaining value of the incentive in annual installments pursuant to
16 section 37 of this title.

17 § 37. EARNING AN INCENTIVE

18 (a) Earning an incentive; installment payments.

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

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

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

1 (C) meets or exceeds the jobs performance requirement specified for the award
2 year, or the capital investment performance requirement specified for the award year, or
3 both.

4 (2) A business that earns an incentive specified for an award year is eligible to
5 receive an installment payment and any applicable property tax stabilization for the year
6 in which it earns the incentive and for each of the next four years in which the business:

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

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

10 (C) if the business earns an incentive by meeting or exceeding the jobs
11 performance target specified for the award year, maintains or exceeds the jobs
12 performance requirement specified for the award year.

13 (b) Award year one.

14 (1) For award year one, a business has from the date it commences its proposed
15 economic activity through December 31 of that year, plus two additional years, to meet
16 the performance requirements specified for award year one.

17 (2) A business that does not meet the performance requirements specified for
18 award year one within this period becomes ineligible to earn incentives for the award
19 year and for all remaining award years in the award period.

20 (c) Award years two and three.

21 (1) For award year two and award year three, beginning on January 1 of the award
22 year, a business has three years to meet the performance requirements specified for the
23 award year.

1 (2) A business that does not meet the performance requirements specified for
2 award year two or for award year three within three years becomes ineligible to earn
3 incentives for the award year and for all remaining award years in the award period.

4 (d) Extending the earning period in award years one and two. Notwithstanding
5 subsection (b) of this section:

6 (1) Upon request, the Council may extend the period to earn an incentive for award
7 year one or award year two if it determines:

8 (A) a business did not earn the incentive for the award year due to facts or
9 circumstances beyond its control; and

10 (B) there is a reasonable likelihood the business will earn the incentive within
11 the extended period.

12 (2) The Council may extend the period to earn an incentive:

13 (A) for award year one, by two years, reviewed annually; or

14 (B) for award year two, by one year.

15 (3) If the Council extends the period to earn an incentive, it shall recalculate the
16 value of the incentive using the cost-benefit model and shall adjust the amount of the
17 incentive as is necessary to account for the extension.

18 (e) Award year four.

19 (1) Beginning on January 1 of award year four, a business that remains eligible to
20 earn incentives has two years to meet the performance requirements specified for award
21 year four.

1 (2) A business that does not meet the performance requirements specified for
2 award year four within two years becomes ineligible to earn incentives for award year
3 four and award year five.

4 (f) Award year five.

5 (1) Beginning on January 1 of award year five, a business that remains eligible to
6 earn incentives has one year to meet the performance requirements specified for award
7 year five.

8 (2) A business that does not meet the performance requirements specified for
9 award year five by the end of that award year becomes ineligible to earn the incentive
10 specified for that award year.

11 (g) Carrying forward growth that exceeds targets. If a business exceeds one or more
12 of the payroll performance requirement, the jobs performance requirement, or the capital
13 investment performance requirement specified for an award year, the business may apply
14 the excess payroll, excess jobs, and excess capital investment toward the performance
15 requirement specified for a future award year, provided that the business maintains the
16 excess payroll, excess jobs, or excess capital investment into the future award year.

17 § 38. CLAIMING AN INCENTIVE; ANNUAL FILING WITH

18 DEPARTMENT OF TAXES

19 (a) On or before April 30 following each year of the utilization period, a business with
20 an approved application shall submit an incentive to the Department of Taxes.

21 (b) A business shall include the information the Department requires, including the
22 information required in 32 V.S.A. § 5842 and other documentation concerning payroll,
23 jobs, and capital investment necessary to determine whether the business earned the

1 incentive specified for an award year and any installment payment or property tax
2 stabilization, or both, for which the business is eligible.

3 (c) The Department may consider an incomplete claim to be timely filed if the
4 business files a complete claim within the additional time allowed by the Department in
5 its discretion.

6 (d) Upon finalizing its review of a complete claim, the Department shall:

7 (1) notify the business, the Council, and any municipality with which the business
8 has a property tax stabilization agreement whether the business is entitled to an
9 installment payment or property tax stabilization for the applicable year; and

10 (2) make an installment payment and confirm the business receives tax
11 stabilization to which the business is entitled.

12 § 39. RECAPTURE; REDUCTION; REPAYMENT

13 (a) Recapture.

14 (1) The Department of Taxes may recapture the value of one or more installment
15 payments and property tax stabilization a business has claimed, with interest, if:

16 (A) the business fails to file a claim as required in section 38 of this title; or

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

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

19 (ii) if it had no jobs at the time of application, a 90 percent or greater

20 reduction from the sum of its job performance requirements.

21 (2) If the Department determines that a business is subject to recapture under
22 subdivision (1) of this subsection, the business becomes ineligible to earn or claim an

1 additional incentive or installment payment, and the business's property becomes
2 ineligible for property tax stabilization, for the remainder of the utilization period.

3 (3) Notwithstanding any other statute of limitations, the Department may
4 commence a proceeding to recapture amounts under subdivision (1) of this subsection as
5 follows:

6 (A) under subdivision (1)(A) of this subsection, no later than three years from
7 the last day of the utilization period; and

8 (B) under subdivision (1)(B) of this subsection, no later than three years from
9 date the business experiences the reduction from base employment, or three years from
10 the last day of the utilization period, whichever occurs first.

11 (b) Reduction; recapture. If a business fails to make capital investments that equal or
12 exceed the sum of its capital investment performance requirements by the end of the
13 award period:

14 (1) The Department shall:

15 (A) calculate a reduced incentive by multiplying the combined value of the
16 business's award period incentives by the same proportion that the business's total actual
17 capital investments bear to the sum of its capital investment performance requirements;

18 and

19 (B) reduce the value of any remaining installment payments and tax
20 stabilization for which the business is eligible by the same proportion.

21 (2) If the value of the installment payments and tax stabilization the business has
22 already received exceeds the value of the reduced incentive, then:

1 (A) the business becomes ineligible to claim any additional installment
2 payments for the award period and the business's property becomes ineligible for
3 property tax stabilization under 32 V.S.A. § 5404a for the award period; and

4 (B) the Department shall recapture the amount by which the value of the
5 installment payments and tax stabilization the business has already received exceeds the
6 value of the reduced incentive.

7 § 40. REPORTING

8 (a) On or before September 1 of each year, the Vermont Economic Progress Council
9 and the Department of Taxes shall submit a joint report on the incentives authorized in
10 this subchapter to the House Committees on Ways and Means, on Commerce and
11 Economic Development, and on Appropriations, to the Senate Committees on Finance,
12 on Economic Development, Housing and General Affairs, and on Appropriations, and to
13 the Joint Fiscal Committee.

14 (b) The Council and the Department shall include in the joint report:

15 (1) the total amount of incentives authorized during the preceding year;

16 (2) with respect to each business with an approved application:

17 (A) the date and amount of authorization;

18 (B) the calendar year or years in which the authorization is expected to be
19 exercised;

20 (C) whether the authorization is active;

21 (D) the date the authorization will expire; and

22 (3) the following aggregate information:

1 (A) the number of claims and incentive payments made in the current and prior
2 claim years;

3 (B) the number of qualifying jobs; and

4 (C) the amount of new payroll and capital investment.

5 (c) The Council and the Department shall present data and information in the joint
6 report in a searchable format.

7 § 41. CONFIDENTIALITY OF PROPRIETARY BUSINESS

8 INFORMATION

9 (a) The Council and the Department shall use measures to protect proprietary
10 financial information, including reporting information in an aggregate form.

11 (b) Information and materials submitted by a business concerning its income taxes
12 and other confidential financial information shall not be subject to public disclosure
13 under the State's public records law in 1 V.S.A. chapter 5, but shall be available to the
14 Joint Fiscal Office or its agent upon authorization of the Joint Fiscal Committee or a
15 standing committee of the General Assembly, and shall also be available to the Auditor
16 of Accounts in connection with the performance of duties under 32 V.S.A. § 163;
17 provided, however, that the Joint Fiscal Office or its agent and the Auditor of Accounts
18 shall not disclose, directly or indirectly, to any person any proprietary business
19 information or any information that would identify a business except in accordance with
20 a judicial order or as otherwise specifically provided by law.

21 (c) Nothing in this section shall be construed to prohibit the publication of statistical
22 information, rulings, determinations, reports, opinions, policies, or other information so

1 long as the data are disclosed in a form that cannot identify or be associated with a
2 particular business.

3 § 42. DEFINITIONS

4 In this subchapter:

5 (1) “Award period” means the consecutive five years during which a business may
6 apply for an incentive under this subchapter.

7 (2) “Base employment” means the number of full-time Vermont jobs held by non-
8 owner employees as of the date a business with an approved application commences its
9 proposed economic activity.

10 (3) “Base payroll” means the Vermont gross salaries and wages paid as
11 compensation to full-time Vermont jobs held by non-owner employees as of the date a
12 business with an approved application commences its proposed economic activity.

13 (4) “Capital investment performance requirement” means the minimum value of
14 additional investment in one or more capital improvements.

15 (5) “Jobs performance requirement” means the minimum number of qualifying
16 jobs a business must add.

17 (6) “Labor market area” means a labor market area as designated by the Vermont
18 Department of Labor.

19 (7) “Non-owner” means a person with no more than 10 percent ownership interest,
20 including attribution of ownership interests of the person’s spouse, parents, spouse’s
21 parents, siblings, and children.

1 (8) “Payroll performance requirement” means the minimum value of Vermont
2 gross salaries and wages a business must pay as compensation for one or more qualifying
3 jobs.

4 (9) “Qualifying job” means a new, permanent position in Vermont that meets each
5 of the following criteria:

6 (A) The position is filled by a non-owner employee who regularly works at
7 least 35 hours each week.

8 (B) The business provides compensation for the position that equals or exceeds
9 the wage threshold.

10 (C) The business provides for the position at least three of the following:

11 (i) health care benefits with 50 percent or more of the premium paid by the
12 business;

13 (ii) dental assistance;

14 (iii) paid vacation;

15 (iv) paid holidays;

16 (v) child care;

17 (vi) other extraordinary employee benefits;

18 (vii) retirement benefits;

19 (viii) other paid time off, including paid sick days.

20 (D) The position is not an existing position that the business transfers from
21 another facility within the State.

22 (E) When the position is added to base employment, the business’s total
23 employment exceeds its average annual employment during the two preceding years,

1 unless the Council determines that the business is establishing a significantly different,
2 new line of business and creating new jobs in the new line of business that were not part
3 of the business prior to filing its application.

4 (10) “Utilization period” means each year of the award period and the four years
5 immediately following each year of the award period.

6 (11) “Vermont gross wages and salaries” means Medicare wages as reported on
7 Federal Tax Form W-2 to the extent those wages are Vermont wages, excluding income
8 from nonstatutory stock options.

9 (12) “Wage threshold” means the minimum amount of annualized Vermont gross
10 wages and salaries a business must pay for a qualifying job, as required by the Council in
11 its discretion, but not less than:

12 (A) 60 percent above the State minimum wage at the time of application; or

13 (B) for a business located in a labor market area in which the average annual
14 unemployment rate is higher than the average annual unemployment rate for the State, 40
15 percent above the State minimum wage at the time of application.

16 Sec. H.2. 10 V.S.A. § 531(d)(2) is amended to read:

17 (2) disburse grant funds only for training hours that have been successfully
18 completed by employees; provided that, except for an award under an enhanced ~~training~~
19 incentive for workforce training as provided in ~~32 V.S.A. § 5930b(h)~~ section 36 of this
20 title, a grant for on-the-job training shall either provide not more than 50 percent of
21 wages for each employee in training, or not more than 50 percent of trainer expense, but
22 not both, and further provided that training shall be performed in accordance with a

1 training plan that defines the subject of the training, the number of training hours, and
 2 how the effectiveness of the training will be evaluated; and

3 Sec. H.3. 21 V.S.A. § 1314(e)(1) is amended to read:

4 (e)(1) Subject to such restrictions as the Board may by regulation prescribe,
 5 information from unemployment insurance records may be made available to any public
 6 officer or public agency of this or any other state or the federal government dealing with
 7 the administration or regulation of relief, public assistance, unemployment compensation,
 8 a system of public employment offices, wages and hours of employment, workers'
 9 compensation, misclassification or miscoding of workers, occupational safety and health,
 10 or a public works program for purposes appropriate to the necessary operation of those
 11 offices or agencies. The Commissioner may also make information available to colleges,
 12 universities, and public agencies of the State for use in connection with research projects
 13 of a public service nature, and to the Vermont Economic Progress Council with regard to
 14 the administration of ~~32 V.S.A. chapter 151, subchapter 11E~~ 10 V.S.A. chapter 4,
 15 subchapter 2; but no person associated with those institutions or agencies may disclose
 16 that information in any manner that would reveal the identity of any individual or
 17 employing unit from or concerning whom the information was obtained by
 18 Commissioner.

19 * * *

20 Sec. H.4. 32 V.S.A. § 3102(e)(11) is amended to read:

21 (11) To the Joint Fiscal Office or its agent, provided that the disclosure relates to a
 22 successful business applicant under ~~section 5930a of this title~~ 10 V.S.A. chapter 4,
 23 subchapter 2 and the ~~tax~~ incentive it has claimed and is reasonably necessary for the Joint

1 Fiscal Office or its agent to perform the duties authorized by the Joint Fiscal Committee
2 or a standing committee of the General Assembly under ~~subsection 5930a(h)~~ that
3 subchapter; to the Auditor of Accounts for the performance of duties under section 163 of
4 this title; to the Department of Economic Development for the purposes of subsection
5 5922(f) of this title; and to the Vermont Economic Progress Council, provided that the
6 disclosure relates to a successful business applicant under ~~sections 5930a and 5930b~~ of
7 ~~this title~~ 10 V.S.A. chapter 4, subchapter 2 and the ~~tax~~ incentive it has claimed and is
8 reasonably necessary for the ~~council~~ Council to perform its duties under ~~sections 5930a~~
9 ~~and 5930b~~ that subchapter.

10 Sec. H.5. 32 V.S.A. § 5401(10) is amended to read:

11 (10) “Nonresidential property” means all property except:

12 * * *

13 (H) ~~Real property, excluding land, consisting of unoccupied new facilities, or~~
14 ~~unoccupied facilities under renovation or expansion, owned by a business that has~~
15 ~~obtained the approval of the Vermont Economic Progress Council under section 5930a of~~
16 ~~this title that is less than 75 percent complete, not in use as of April 1 of the applicable~~
17 ~~tax year, and for a period not to exceed two years. [Repealed.]~~

18 (I) ~~Real property consisting of the value of remediation expenditures incurred~~
19 ~~by a business that has obtained the approval of the Vermont Economic Progress Council~~
20 ~~under section 5930a of this title for the construction of new, expanded or renovated~~
21 ~~facilities on contaminated property eligible under the redevelopment of contaminated~~
22 ~~properties program pursuant to 10 V.S.A. § 6615a(f), including supporting infrastructure,~~

1 ~~on sites eligible for the United States Environmental Protection Agency “Brownfield~~
2 ~~Program,” for a period of 10 years. [Repealed.]~~

3 * * *

4 Sec. H.6. 32 V.S.A. § 5404a is amended to read:

5 § 5404a. PROPERTY TAX STABILIZATION AGREEMENTS; TAX
6 INCREMENT FINANCING DISTRICTS

7 (a) Tax agreements and exemptions affecting the education property tax grand list. A
8 tax agreement or exemption shall affect the education property tax grand list of the
9 municipality in which the property subject to the agreement is located if the agreement or
10 exemption is:

11 (1) A prior agreement, meaning that it was:

12 (A) a property tax stabilization agreement for any purpose authorized under
13 24 V.S.A. § 2741 or comparable municipal charter provisions entered into or proposed
14 and voted by the municipality before July 1, 1997, or a property tax exemption adopted
15 by vote pursuant to chapter 125 of this title or comparable municipal charter provisions
16 before July 1, 1997; or

17 (B) an agreement relating to property sold or transferred by the New England
18 Power Company of its Connecticut River system and its facilities along the Deerfield
19 River which was warned before September 1, 1997.

20 (2) A property tax stabilization agreement relating to industrial or commercial
21 property entered into under 24 V.S.A. § 2741, or comparable municipal charter
22 provisions or an exemption for the purposes of economic development adopted by vote
23 under sections 3834 (factories; quarries; mines), 3836 (private homes and dwellings),

1 3837 (airports), or 3838 (hotels) of this title or comparable municipal charter provisions
2 after June 30, 1997 if subsequently approved by the Vermont Economic Progress Council
3 pursuant to this subsection and ~~section 5930a of this title~~ 10 V.S.A. chapter 4, subchapter
4 2. An agreement or exemption may be approved by the Vermont Economic Progress
5 Council only if it has first been approved by the municipality in which the property is
6 located with respect to the municipal tax liability of the property in that municipality.
7 Any agreement or exemption approved by the Vermont Economic Progress Council may
8 not affect the education tax liability of the property in a greater proportion than the
9 agreement or exemption affects the municipal tax liability of the property. A
10 municipality's approval of an agreement or exemption under this subsection may be
11 made conditional upon approval of the agreement or exemption by the Vermont
12 Economic Progress Council. The legislative body of the municipality in which the
13 property subject to the agreement or exemption is located or the business that is subject to
14 the agreement or exemption may request the Vermont Economic Progress Council to
15 approve an agreement or exemption pursuant to ~~section 5930a of this title~~ 10 V.S.A.
16 chapter 4, subchapter 2. The Council shall also report to the General Assembly on the
17 terms of the agreement or exemption, and the effect of the agreement or exemption on the
18 education property tax grand list of the municipality and of the State. If so approved by
19 the Council, an agreement or exemption shall be effective to reduce the property tax
20 liability of the municipality under this chapter beginning on April 1 of the year following
21 approval.

22 * * *

1 (b) An agreement affecting the education property tax grand list defined under
2 subsection (a) of this section shall reduce the municipality's education property tax
3 liability under this chapter for the duration of the agreement or exemption without
4 extension or renewal, and for a maximum of 10 years, subject to the provisions of
5 ~~subsection 5930b(f) of this title~~ 10 V.S.A. chapter 4, subchapter 2. A municipality's
6 property tax liability under this chapter shall be reduced by any difference between the
7 amount of the education property taxes collected on the subject property and the amount
8 of education property taxes that would have been collected on such property if its fair
9 market value were taxed at the equalized nonresidential rate for the tax year.

10 (c) Tax agreements not affecting the education property tax grand list. A tax
11 agreement shall not affect the education property tax grand list if it is:

12 * * *

13 (3) A property tax stabilization agreement relating to commercial or industrial
14 property entered into after July 1, 1997 by a municipality under 24 V.S.A. § 2741, or a
15 property tax exemption for purposes of economic development adopted by vote after July
16 1, 1997, which has not been approved by the Vermont Economic Progress Council to
17 affect the education grand list under subsection (a)(2) of this section and ~~section 5930a of~~
18 ~~this title~~ 10 V.S.A. chapter 4, subchapter 2. In granting property tax stabilization
19 agreements for commercial or industrial property under 24 V.S.A. § 2741, a municipality
20 shall consider any applicable guidelines established for the approval of such stabilization
21 agreements by the Vermont Economic Progress Council established ~~in subsection~~
22 ~~5930a(e) of this title~~ under 10 V.S.A. chapter 4, subchapter 2.

23 * * *

1 Sec. H.7. 32 V.S.A. § 5813 is amended to read:

2 § 5813. STATUTORY PURPOSES

3 * * *

4 (u) ~~The statutory purpose of the Vermont employment growth incentive in section~~
5 ~~5930b of this title is to provide a cash incentive to encourage quality job growth in~~
6 ~~Vermont. [Repealed.]~~

7 * * *

8 Sec. H.8. 32 V.S.A. § 5930ll(a)(1) is amended to read:

9 (1) ~~“Full-time job” has the same meaning as defined in subdivision 5930b(a)(9) of~~
10 ~~this title~~ means a permanent position filled by an employee who works at least 35 hours
11 per week.

12 Sec. H.9. 32 V.S.A. § 9741(39) is amended to read:

13 (39) Sales of building materials within any three consecutive years in excess of
14 one million dollars in purchase value, ~~which may be reduced to \$250,000.00 in purchase~~
15 ~~value upon approval of the Vermont Economic Progress Council pursuant to section~~
16 ~~5930a of this title~~, used in the construction, renovation, or expansion of facilities which
17 are used exclusively, except for isolated or occasional uses, for the manufacture of
18 tangible personal property for sale.

19 Sec. H.10. REPEAL

20 10 V.S.A §§ 25–26 and §§ 31–42 (Vermont Employment Growth Incentive program)
21 shall be repealed on July 1, 2027.

22 Sec. H.11. VERMONT EMPLOYMENT GROWTH INCENTIVE

23 POLICY WORKING GROUP

1 (a) On or before September 1, 2016, the Joint Fiscal Committee shall convene a
2 Vermont Employment Growth Incentive Policy Working Group composed of:

3 (1) the State legislative economist;

4 (2) the State executive economist;

5 (3) a policy analyst from the Agency of Commerce and Community Development;

6 (4) an economic and labor market information chief from the Department of

7 Labor;

8 (5) a fiscal analyst from the Department of Taxes; and

9 (6) the Executive Director of the Vermont Economic Progress Council, who shall

10 serve as a nonvoting ex officio member of the Group.

11 (b) The Working Group shall review the following technical and policy questions
12 relating to the Vermont Employment Growth Incentive Program:

13 (1) whether and how to include a mechanism in the Program for equity

14 investments in incentive recipients or to recoup incentive payments in the event an
15 incentive recipient is sold;

16 (2) whether the Program can integrate the use of business-specific background
17 growth rates in addition to, or in place of, industry-specific background growth rates; and,
18 if industry-specific background growth rates are recommended, a methodology to review,
19 calculate, and set those rates routinely;

20 (3) the size, industry, and profile of the businesses that historically have
21 experienced, and are forecasted to experience, the most growth in Vermont, and whether
22 the Program can be more targeted to these businesses; and

1 (4) changes to the Program to ensure incentives will benefit the creation and
2 growth of more small businesses.

3 (c) On or before January 15, 2017, the Working Group shall report its findings,
4 conclusions, recommendations, and supporting data for legislative action to the House
5 Committees on Commerce and Economic Development, on Ways and Means, and on
6 Appropriations, and to the Senate Committees on Economic Development, Housing and
7 General Affairs, on Finance, and on Appropriations.

8